CLERK'S COPY.

TRANSCRIPT OF RECORD

Supreme Court of the United States

OCTOBER TERM, 1942

No. 156

THE DETROIT BANK, FORMERLY THE DETROIT SAVINGS BANK, A MICHIGAN BANKING CORPORATION, PETITIONER,

vs.

THE UNITED STATES OF AMERICA

No. 214

STATE OF MICHIGAN, JOHN J. O'HARA, AUDITOR GENERAL FOR THE STATE OF MICHIGAN, ET AL., PETITIONERS,

vs.

THE UNITED STATES OF AMERICA

ON WRITS OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SIXTH CIRCUIT

PETITIONS FOR CERTIORARI FILED { JUNE 17, 1942. JULY 7, 1942.

CERTIORARI GRANTED OCTOBER 12, 1942.

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CALENDAR ENTRIES—DISTRICT COURT

1936—

May 4—Bill of Complaint filed.

May 4—Chancery Subpoena issued, 31 copies made for service.

May 4—Affidavit of non-residence filed.

May 4—Petition for Order of Publication filed.

May 4—Order for Publication filed and entered.

May 12—Appearance of Estate of Chas. H. Wiltsie, Mary Emily Wiltsie Field, Executrix, filed.

May 13—Appearance of Union Investment Co. by Butzel, Levin & Winston, Attorneys, filed.

May 13—Answer of Union Investment Company filed.

May 15—Appearance of The Detroit Bank and Ernest H. King Receiver by Miller, Canfield, Paddock & Stone, Attorneys, filed.

May 18—Entry and Notice of Appearance of Detroit Trust Company by Miller, Canfield, Paddock & Stone, Attorneys, filed.

May 20—Answer of The Detroit Bank filed.

May 20—Answer of Detroit Trust Company filed.

May 20—Answer of B. C. Schram, Receiver, filed.

May 28—Chancery Subpoena returned served with Copy of Bill of Complaint, on E. B. Finley, Jr., M. E. Bowlus, E. A. Edwards, B. C. Schram, Union Guardian Trust Co. by E. C. Harris, Treas., Union Investment Co. by E. Malwitz; The Detroit Bank, by Cecil S. Hunt, Asst. Cashier; The Detroit Trust Company by N. J. Miller, Ass't. Treas., State of Michigan, by John T. Meier, Ass't. Atty. General; John J. O'Hara, Auditor General, by John T. Meier, Ass't. Atty. General; County of Wayne by Chas. A. Smith, Chief Deputy County Clerk; Jacob P. Sumeracki, City of Detroit by Walter Barlow, Chief Asst. Corp. Counsel; Albert E. Cobo, City of Highland Park, by Thomas Shawcross, City Clerk, Robert Smith, Treasurer of Highland Park; May 19, 1936;

not served on John W. Paul, Riney T. Paul, Jessie B. Paul, Amelia L. Paul, Florence H. Paul, T. Paul Hickey, Howard J. Ely, Ernest H. King; Frederick P. Paul, Ruby H. Paul or Nettie B. Paul; filed.

May 28—Appearance of City of Detroit, and Albert E. Cobo by Raymond J. Kelly, Corporation Counsel.

May 28—Answer of City of Detroit and Albert E. Cobo—Treasurer, filed.

May 29—Proof of Service filed.

June 2—Answer of State of Michigan and John J. O'Hara, Auditor General by David H. Crowley, Attorney General, filed.

June 2—Answer of City of Highland Park and Robert City, Treasurer by Earl B. Young, Attorney, filed.

June 8—Answer of Union Guardian Trust Company filed.

June 10—Answer of Liquidating Trustees filed.

June 12—Answer of Ernest H. King, Receiver, filed.

June 15—Affidavit of Publication filed.

Aug. 4—Appearance of Defendant Manuel Faust by Joseph S. McDowell, Attorney, filed.

Aug. 5—Praecipe for alias Subpoena filed.

Aug. 5—Alias chancery subpoena for John W. Paul, Frederick P. Paul, Ruby H. Paul, Nettie B. Paul, Riney T. Paul, Jessie B. Paul, Amelia L. Paul, Florence H. Paul, Individually and as Admx. of Estate of Charles P. Paul, T. Paul Hickey, Howard J. Ely, Guardian of Julia Blanche Hickey—copies made for service.

Aug. 28—Alias chancery subpoena returned unserved.

Nov. 11—Praecipe for Pluries subpoena filed.

Nov. 11—Pluries chancery subpoenas for John W. Paul, Frederick P. Paul, Ruby H. Paul, Nettie B. Paul, Riney T. Paul, Jessie B. Paul, Amelia L. Paul, Florence H. Paul, T. Paul Hickey, Howard J. Ely. Copies made for service.

Dec. 14—Pluries chancery subpoena for John W. Paul, et al. returned served on T. Paul Hickey and Howard J. Ely, December 4, 1936; Not served on John W. Paul, Nettie Paul, Amelia L. Paul, Riney T. Paul, Frederick P. Paul, Ruby H. Paul, Florence Paul or Jessie B. Paul, filed.

Dec. 14—Marshal's return on Proof of Service of Copy of Bill of Complaint on T. Paul Hickey and Howard J. Ely, December 4, 1936; Not served on John W. Paul, Nettie Paul, Amelia Paul, Riney T. Paul, Frederick Paul, Ruby H. Paul, Florence Paul or Jessie B. Paul, filed.

Dec. 24—Appearance of T. Paul Hickey and Howard J. Ely by John W. Hindes, Attorney, filed.

1937—

Jan. 27—Answer of T. Paul Hickey and Howard J. Ely, filed.

Jan. 29—Appearance of John W. Paul, Frederick P. Paul, Riney F. Paul, Nettie B. Paul and Amelia L. Paul by Charles A. Lorenzo, Attorney, filed.

Feb. 27—Answer of Mary Emelie Wiltsie Field, Executrix, filed.

April 30—Appearance of Ruby H. Paul by Charles A. Lorenzo, Attorney, filed.

May 4—Appearance of Florence H. Paul by Henry Wunsch and Edward F. Wunsch, Attorneys, filed.

Aug. 31—Answer of John W. Paul, Frederick B. Paul, Ruby H. Paul, his wife, Nettie B. Paul, Riney F. Paul, and Amelia L. Paul, filed.

1938—

June 27—Appearance of County of Wayne and Jacob P. Sumeracki by Duncan C. McCrea, Prosecuting Attorney, Garfield A. Nichols, Assistant Prosecuting Attorney, filed.

July 6—Answer of County of Wayne and Jacob P. Sumeracki, Treasurer, filed.

July 19—Stipulation of Facts filed.

Sept. 19—Petition to set Trial Date filed.

Sept. 19—Notice of Hearing on Motion to set Trial Date September 19, 1938, filed.

Sept. 19—Order setting case for November 14, 1938 entered.

Nov. 8—Intervening Answer of Chas. I. Russo, Trustee in Bky., filed.

Nov. 14—Cause heard and submitted on pleadings and proofs.

1939—

Apr. 11—Order fixing time and place for production of Additional Proof filed and entered.

Apr. 17—Additional proofs heard in part continued to April 24, 1939.

Apr. 24—Final hearing on additional proofs had with leave to file briefs.

May 1—Request of The Detroit Bank for Findings of Fact and Conclusions of Law filed.

May 1—Request of Detroit Trust Co. for Findings of Fact and Conclusions of Law filed.

May 1—Request of Ernest H. King for Findings of Fact and Conclusions of Law filed.

May 3—Amendment to request for Findings of Fact and Conclusions of Law by the Detroit Trust Co. filed.

May 3—Amendment to request of The Detroit Bank for Findings of Fact and Conclusions of Law filed.

Nov. 3—Petition and Order to Show Cause for Injunction—Returnable Nov. 13, 1939 filed. Order entered.

Nov. 11—Hearing on Order to Show Cause continued to Nov. 20, 1939 by consent.

Nov. 20—Order adjourning hearing on Order to Show Cause to Nov. 20, 1939 filed, and entered.

Nov. 20—Order Dismissing Order to Show Cause filed and entered.

Dec. 4—Acknowledgment of handling of properties filed.

1940—

Aug. 12—Findings of Fact and Conclusions of Law filed.

Oct. 11—Motion of Detroit Trust Co. to Intervene, hearing Oct. 7, 1940 filed.

Oct. 11—Praecipe for Motion filed.

Oct. 18—Order for adjournment of Motion to Dec. 9, 1940 filed and entered.

Nov. 15—Stipulation for Dismissal as to Parcel Fifty filed.

Nov. 15—Order Dismissing Bill of Complaint as to Parcel (50) Fifty with Prejudice filed and entered.

Dec. 9—Stipulation for the Amendment of Findings of Fact filed.

Dec. 9—Order amending Findings of Fact filed and entered.

Dec. 9—Computation of Amount of Judgment filed.

Dec. 9—Decree for Plaintiff filed and entered.

1941—

Feb. 18—Petition for Restraining Order filed. Hearing Feb. 24, 1941.

Feb. 24—Restraining Order filed and entered.

Mar. 4—Notice of Appeal of The Detroit Bank filed.

Mar. 4—Bond on Appeal in $250.00 filed. The Travelers Indemnity Co. Surety 3/4/41.

Mar. 4—Notification of Filing Notice of Appeal filed.

Mar. 4—Designation of Contents of Record on Appeal filed.

Mar. 4—Stipulation Re Designation filed.

Mar. 4—Transcript of Testimony and Proceedings filed (3 Volumes) 1 copy Lodged.

Mar. 5—Proof of Mailing of Notice of Appeal filed.

Mar. 7—Notice of Appeal mailed to Duncan C. McCrea, et al. returned unclaimed filed.

Mar. 7—Notice of Appeal of the City of Detroit, et al. filed.

Mar. 7—Proof of Mailing of Notice of Appeal filed.

Mar. 7—Bond on Appeal of the City of Detroit in $250.00 filed. Royal Indemnity Co. Surety 3/7/41.

Mar. 6—Notice of Appeal of John W. Paul, et al. filed.

Mar. 6—Bond on Appeal of John W. Paul, et al. in $250.00 filed. Edward Shelton Surety 3/5/41.

Mar. 8—Notice of Appeal of State of Michigan filed.

Mar. 8—Notice of Appeal of County of Wayne filed.

Mar. 8—Bond on Appeal, County of Wayne in $250.00 filed. St. Paul Mercury Indemnity Company Surety 3/8/41.

Mar. 10—Proof of Mailing of Notice of Appeal of John W. Paul, et al. filed.

Mar. 10—Proof of Mailing of Notice of Appeal of County of Wayne filed.

Mar. 10—Proof of Mailing of Notice of Appeal of State of Michigan filed.

Mar. 10—Bond of State of Mich. in $250.00 filed. National Surety Co. Surety 3/10/41.

Mar. 11—Motion to Amend Final Decree filed. Hearing Mar. 14, 1941.

Mar. 14—Order Amending Final Decree filed and entered.

Apr. 9—Stipulation extending time filed.

Apr. 9—Order extending time for filing Record on Appeal and Docketing the Action to May 12, 1941 filed and entered.

May 6—Order extending time for filing Record on Appeal and Docketing the Action.

May 7—Stipulation extending time filed.

May 12—Designation of John W. Paul, et al. of Record and Proceedings on Appeal filed.

May 20—Designation of City of Detroit and Albert E. Cobo of Contents of Record on Appeal filed.

May 21—Designation of State of Michigan of Contents of Record on Appeal, filed.

May 23—Designation of County of Wayne of Contents of Record on Appeal, filed.

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UNITED STATES OF AMERICA
IN THE DISTRICT COURT OF THE UNITED STATES
FOR THE EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION
IN EQUITY

UNITED STATES OF AMERICA,
Plaintiff,

vs.

JOHN W. PAUL, FREDERICK P. PAUL and RUBY H. PAUL, his wife, NETTIE B. PAUL, RINEY T. PAUL and JESSIE B. PAUL, his wife, AMELIA L. PAUL, FLORENCE H. PAUL, individually and as Administratrix of the Estate of Charles P. Paul, deceased, T. PAUL HICKEY, HOWARD J. ELY, Guardian of Julia Blanche Hickey, E. B. FINLEY, JR., M. E. BOWLUS and E. A. EDWARDS, Liquidating Trustees under Declaration of Trust recorded in Wayne County in Liber 4166 of Deeds, page 305, ERNEST H. KING, Receiver in that certain cause listed as No. 241,203 in Chancery, in the Circuit Court for the County of Wayne, E. C. CHILDS, CHARLES H. WILTSIE, M. FAUST, B. C. SCHRAM, Receiver of First National Bank-Detroit, a National Banking Association, UNION GUARDIAN TRUST COMPANY, a Michigan corporation, UNION INVESTMENT COMPANY, a Michigan corporation, THE DETROIT BANK, formerly the Detroit Savings Bank, a Michigan Banking Corporation, THE DETROIT TRUST COMPANY, a Michigan corporation, STATE OF MICHIGAN, JOHN J. O'HARA, Auditor General for the State of Michigan, COUNTY OF WAYNE, a Public Body Corporate, JACOB P. SUMERACKI, Treasurer for Wayne County, CITY OF DETROIT, a Municipal Corporation, ALBERT E. COBO, Treasurer of the City of Detroit, CITY OF HIGHLAND PARK, a Municipal Corporation, and ROBERT SMITH, Treasurer of the City of Highland Park,

Defendants.

No. 7544

BILL OF COMPLAINT

(Filed May 4, 1936)

To the Honorable Judges of the District Court of the United States for the Eastern District of Michigan:

The United States of America, by Gregory H. Frederick, United States Attorney for the Eastern District of Michigan,

complaining of defendants herein, respectfully shows unto this Court:

I.

That at all times hereinafter mentioned plaintiff was, and now is, a corporation sovereign and body politic.

II.

That at all times hereinafter mentioned John W. Paul, Frederick P. Paul and Ruby H. Paul, his wife, Nettie B. Paul, Riney T. Paul and Jessie B. Paul, his wife, Amelia L. Paul, Florence H. Paul, individually and as Administratrix of the Estate of Charles P. Paul, deceased, T. Paul Hickey, Howard J. Ely, Guardian of Julia Blanche Hickey, E. B. Finley, Jr., M. E. Bowlus and E. A. Edwards, Liquidating Trustees under Declaration of Trust recorded in Wayne County, in Liber 4166 of Deeds, page 305, Ernest H. King, Receiver in that certain cause listed as No. 241,203 in Chancery, in the Circuit Court for the County of Wayne, and B. C. Schram, Receiver of First National Bank-Detroit, a National Banking Association, were and now are citizens of the United States and of the State of Michigan, and are inhabitants of the Eastern Judicial District of Michigan, Southern Division thereof, and reside in the City of Detroit, County of Wayne, State of Michigan, and within the jurisdiction of this court; that at all times hereinafter mentioned E. C. Childs was and now is a resident of Windsor, Ontario, Canada, and alleges an interest in certain property hereinafter described; that at all times hereinafter mentioned Charles H. Wiltsie was and now is a citizen of the United States and an inhabitant of the State of New York, and resides in the City of Rochester, New York, and alleges an interest in certain property hereinafter described; that at all times hereinafter mentioned M. Faust was and now is a citizen of the United States and an inhabitant of the State of Ohio, and resides in the City of Cleveland, Ohio, and alleges an interest in certain proper-

ty hereinafter described; that at all times hereinafter mentioned the Union Guardian Trust Company, a Michigan corporation, the Union Investment Company, a Michigan corporation, and the Detroit Trust Company, a Michigan corporation, are corporations duly organized and existing under and by virtue of the laws of the State of Michigan, having their principal place of business in the City of Detroit, State of Michigan, and within the Eastern Judicial District of Michigan, Southern Division thereof; that at all times hereinafter mentioned the Detroit Bank, formerly the Detroit Savings Bank, a Michigan Banking Corporation, was and now is a corporation duly organized and existing under and by virtue of the laws of the State of Michigan, having its principal place of business in the City of Detroit, State of Michigan, and within the Eastern Judicial District of Michigan, Southern Division thereof; that at all times hereinafter mentioned the State of Michigan was and now is a sovereign state; that at all times hereinafter mentioned the County of Wayne was and now is a Public Body Corporate, within the State of Michigan and within the Eastern Judicial District of Michigan, Southern Division thereof; that at all times hereinafter mentioned the City of Detroit was and now is a Municipal Corporation, within the State of Michigan and within the Eastern Judicial District of Michigan, Southern Division thereof; that at all times hereinafter mentioned John J. O'Hara, Auditor General for the State of Michigan, was and now is a citizen of the United States and of the State of Michigan, and resides in the City of Lansing, Michigan, and within the Eastern Judicial District of Michigan, Southern Division thereof; that at all times hereinafter mentioned Albert E. Cobo, Treasurer of the City of Detroit, was and now is a citizen of the United States and of the State of Michigan, and resides in the City of Detroit, Michigan, and within the Eastern Judicial District of Michigan, Southern Division thereof; that at all times hereinafter mentioned Jacob P.

Sumeracki, Treasurer of Wayne County, was and now is a citizen of the United States and of the State of Michigan, and resides in the City of Detroit, Michigan, and within the Eastern Judicial District of Michigan, Southern Division thereof; that at all times hereinafter mentioned the City of Highland Park was and now is a Municipal Corporation within the State of Michigan and within the Eastern Judicial District of Michigan, Southern Division thereof; that at all times hereinafter mentioned Robert Smith, Treasurer of the City of Highland Park, was and now is a citizen of the United States and of the State of Michigan, and resides in the City of Highland Park, Michigan, and within the Eastern Judicial District of Michigan, Southern Division thereof.

That plaintiff has caused an examination to be made in the office of the Register of Deeds for Wayne County, Michigan, and, based upon such examination and other information in plaintiff's possession, alleges that each of the above named defendants alleges an interest in the premises hereinafter described.

III.

That this is a suit in equity of civil nature arising under the laws of the United States providing for internal revenue and the collection thereof.

IV.

That this action is instituted by direction of the Commissioner of Internal Revenue and is authorized and sanctioned by the Attorney General of the United States.

V.

That John P. Paul, a resident of the City of Detroit, Wayne County, Michigan, died intestate on May 5, 1926, leaving heirs as follows: Lena Paul, his widow, and John W. Paul, Frederick P. Paul, Nettie B. Paul, Riney T. Paul, Amelia L. Paul and Charles P. Paul, his children.

VI.

That Lena Paul, widow of said John P. Paul, died intestate on to-wit February 18, 1931; that Charles P. Paul died prior to the institution of this suit, leaving no children.

VII.

That at the time of his death on May 5, 1926, said John P. Paul was the owner of divers parcels of real estate and other property.

VIII.

That on or about July 5, 1927, Lena Paul, describing herself as "widow of John P. Paul and joint-owner with him of all his properties," executed and filed in the office of the Collector of Internal Revenue a Federal estate tax return for the estate of said John P. Paul, deceased, reporting a gross estate of $493,902.00, deductions of $329,823.49, a net estate of $164,078.51, and a tax liability of $3,450.00, which was duly paid.

IX.

That the Commissioner of Internal Revenue notified said Lena Paul by letter dated March 14, 1930, addressed to "Lena Paul beneficiary, Estate of John P. Paul," of a deficiency in estate tax in the sum of $23,271.84, and advised her of her right to file an appeal with the United States Board of Tax Appeals.

X.

That on or about May 10, 1930, an appeal entitled "Appeal of Estate of John P. Paul, Lena Paul, beneficiary, Docket No. 48933" was filed with the United States Board of Tax Appeals.

XI.

That on or about November 4, 1932, said United States Board of Tax Appeals entered an order in connection with the appeal of the Estate of John P. Paul, determining that

there was an estate tax deficiency due plaintiff in the sum of $23,271.84.

XII.

That no proceedings were had or appeal taken from said order of the Board of Tax Appeals entered on November 4, 1932, determining the Federal estate tax liability of said estate of John P. Paul, deceased; that the time for such an appeal has expired; and that said order of the Board of Tax Appeals has become final.

XIII.

That in accordance with the applicable provisions of revenue laws of the United States, interest on said deficiency of $23,271.84 due from the Estate of John P. Paul, deceased, accrued at the rate of six per cent (6%) per annum from May 5, 1927 to February 19, 1933; and that said interest on the deficiency to February 19, 1933 amounted to $8,080.28.

XIV.

That on or about February 19, 1933, the Commissioner of Internal Revenue duly assessed against the Estate of John P. Paul, deceased, said deficiency in the principal amount of $23,271.84 on account of said estate tax liability as finally determined by the United States Board of Tax Appeals, together with interest on said deficiency in the sum of $8,080.28.

XV.

That on to-wit February 25, 1933, plaintiff, through the United States Collector of Internal Revenue at Detroit, Michigan, duly served notice and demand for payment of said deficiency of $23,271.84 and interest of $8,080.28; that at sundry and diverse times thereafter said Collector served further notices and demands for payment of said tax and interest.

XVI.

That notwithstanding notice and demand for payment of said deficiency and interest was duly made by plaintiff's Collector of Internal Revenue, no part of said tax or interest has been paid; that there is now due and owing to plaintiff additional estate tax in the sum of $23,271.84, together with interest thereon to February 19, 1933 at six per cent (6%) per annum in the sum of $8,080.28, and interest on said aggregate sum of $31,352.12 at six per cent (6%) per annum from February 19, 1933 to February 25, 1933, at one per cent (1%) per month from February 25, 1933 to August 30, 1935, and at six per cent (6%) per annum from August 30, 1935.

XVII.

That upon the death of said John P. Paul on May 5, 1926, although notice of said lien was not filed of record until December 26, 1935, a lien in favor of plaintiff herein for the unpaid estate tax and interest attached on May 5, 1926 to diverse and sundry parcels of real estate comprising the statutory gross estate of said John P. Paul at the time of his death and still attaches to said real estate in accordance with the provisions of Section 315 of the Revenue Act of 1926, as amended by Section 613(b) of the Revenue Act of 1928 and as further amended by Sections 803(c) and 809 of the Revenue Act of 1932.

XVIII.

That the said premises and parcels of real estate, subject to said lien for said federal estate tax and interest, as hereinbefore set forth, are more particularly known and described as follows, to-wit:

Parcel 1. Lot 73 and the South 9 feet of Lot 70, Houghton Section of the Brush Farm, north of Gratiot Avenue, as subdivided into lots by J. Abrey, according to the plat thereof recorded in Liber 7, page 174, of City Records in the office of the Register of Deeds for County of Wayne. Also known

as 1712 Brush Street, the northeast corner of Madison Avenue and Brush Street, City of Detroit, Michigan.

Parcel 2. Lot 31 Houghton Section of the Brush Farm, north of Gratiot Avenue, as subdivided into lots by J. Abrey, according to the plat thereof recorded in Liber 7, page 174, of City Records in the office of the Register of Deeds for the County of Wayne. Also known as 402-6 Elizabeth Street, East, the southeast corner of Elizabeth and Brush Streets, and 412 to 14 Elizabeth Street, East, City of Detroit, Michigan.

2a. Lot 32 Houghton Section of the Brush Farm, north of Gratiot Avenue, as subdivided into lots by J. Abrey, according to the plat thereof recorded in Liber 7, page 174, of City records in the office of the Register of Deeds for the County of Wayne. Also known as 402-6 Elizabeth Street, East, the southeast corner of Elizabeth and Brush Streets, and 412 to 14 Elizabeth Street, East, City of Detroit, Michigan.

Parcel 3. Lots 6, 7 and 8 of the South part of Out Lot 174, Lambert Beaubien Farm, according to the plat thereof recorded in Liber 1, page 22 of Plats, Wayne County Records. Also known as 424 Elizabeth Street, East, and 428-34 Elizabeth Street, East, City of Detroit, Michigan.

Parcel 4. The North 46.05 feet of Lot 11, of the Plat of Brush subdivision of Park Lot 5 and part of Brush Farm East of and adjoining Park Lots 5 and 4, City of Detroit, made by Edmund Adelaide and Alfred Brush, according to the plat thereon recorded in Liber 45, page 121, of Deeds, Wayne County Records. Also known as 2226-34 Brush Street, the southeast corner of Brush and Montcalm Streets, City of Detroit, Michigan.

Parcel 5. Lots 67, 68 and 69 of Williams subdivision of Park Lots 1, 2, 3, and 4, according to the plat thereof recorded in Liber 1, page 39, of Plats, Wayne County Records. Also known as 215-219 Elizabeth Street, East, City of Detroit, Michigan.

Parcel 6. The East 30 feet of Lot 28, Houghton Section of the Brush Farm, north of Gratiot Avenue, as subdivided into lots by J. Abrey, according to the plat thereof recorded in Liber 7, page 174, of City Records in the office of the Register of Deeds for the County of Wayne. Also known as 264 Elizabeth Street, East, City of Detroit, Michigan.

Parcel 7. East 60 feet of the West 78.21 feet of Lot 4 of Plat of the subdivision of Lot 13 of the subdivision of Park Lot 5 and part of Brush Farm, according to the plat thereof recorded in Liber 45, page 121, of Deeds, Wayne County Records. Also known as 249-255 Montcalm East, City of Detroit, Michigan.

Parcel 8. The East 55 feet of Lot 4, Plat of Brush subdivision of Park Lot 5 and part of Brush farm east of and adjoining Park Lots 4 and 5, according to the plat thereof recorded in Liber 45, page 121, of Deeds, Wayne County Records. Also known as the Southwest Corner of Vernor Highway and John R Street, City of Detroit, Michigan.

Parcel 9. Lots 24 and 25, Winder subdivision of Park Lots 6 and 7, according to the plat thereof recorded in Liber 46, page 561, of Deeds, Wayne County Records. Also known as the Northwest Corner of Vernor Highway and John R. Street, City of Detroit, Michigan.

Parcel 10. The South 30 feet of Lots 13 and 14, Winder subdivision of Park Lots 6 and 7, according to the plat thereof recorded in Liber 46, page 561, of Deeds, Wayne County Records. Also known as 2439 John R. Street, West side, City of Detroit, Michigan.

Parcel 11. The North 61.44 feet of Lot 13, and the North 61.44 feet of Lot 14, Block 31, of Fisher & Shearer's subdivision of Park Lots 30 and 31, according to the plat thereof recorded in Liber 1, page 7 of Plats, Wayne County Records. Also known as 4418-20-24 John R. Street, City of Detroit, Michigan.

Parcel 12. Lots 23, Block 31, of Fisher & Shearer's subdivision of Park Lots 30 and 31, according to the plat thereof recorded in Liber 1, page 7 of Plats, Wayne County Records. Also known as 265 Canfield Avenue, City of Detroit, Michigan.

Parcel 13. Rear North 38 feet of the South 76 feet of Lots 42 and 43 of Hubbard & King's Subdivision of Park Lot 46, according to the plat thereof recorded in Liber 6, page 86 of Plats, Wayne County Records. Also known as 6039-41 John R. Street, West side, City of Detroit, Michigan.

Parcel 14. South 38 feet of Lots 42 and 43 of Hubbard and King's Subdivision of Park Lot 46, according to the plat thereof recorded in Liber 6, page 86 of Plats, Wayne County Records. Also known as 6047 John R. Street, West side, City of Detroit, Michigan.

Parcel 15. Lot 104 of P. McGinnis' Subdivision of Lots 1 to 9 inclusive, of McCune's Subdivision of part of fractional Section 31, according to the plat thereof recorded in Liber 4, page 93 of Plats, Wayne County Records. Also known as 286 Baltimore E., Ave., City of Detroit, Michigan.

Parcel 16. Lot 37 Frisbee and Foxen's Subdivision of part of fractional section 31 and Lot 18 of Theodore J. and Denis J. Campau's subdivision of fractional sections 29 and 32, T. 1 S., R. 12 E., according to the plat thereof recorded in Liber 6, page 78 of Plats, Wayne County Records. Also known as 301 Milwaukee Ave., E., City of Detroit, Michigan.

Parcel 17. Lot 77 and the Westerly 1 foot to the rear of Lot 78 of Lowe's subdivision of Lot 1, Quarter Section 44, T.T.A.T., Hamtramck, Wayne County, Michigan, according to the plat thereof recorded in Liber 8, page 26 of Plats, Wayne County Records. Also known as 656 Euclid Ave., E., City of Detroit, Michigan.

Parcel 18. Lot 42, Joseph R. McLaughlin's Subdivision of the Westerly 13¾ acres of Lot 5 and the Northwesterly 6¼

acres of Lot 4 of the Subdivision of Quarter Section 44, T.T.A.T., Detroit, Wayne County, Michigan, according to the plat thereof recorded in Liber 16, page 28 of Plats, Wayne County Records. Also known as 206 King Avenue, City of Detroit, Michigan.

Parcel 19. Lot 57, Joseph R. McLaughlin's Subdivision of the Westerly 13¾ acres of Lot 5 and the Northwesterly 6¼ acres of Lot 4 of the Subdivision of Quarter Section 44, T.T.A.T., Detroit, Wayne County, Michigan, according to the plat thereof recorded in Liber 16, page 28 of Plats, Wayne County Records. Also known as 207 King Avenue, City of Detroit, Michigan.

Parcel 20. Lot 43, Plat of Crane & Wesson's Section of Antoine Beaubien Farm, according to the plat thereof recorded Feb. 19, 1849, in Liber 35, page 200½ of Deeds, Wayne County Records. Also known as 564 Elizabeth Street, East, City of Detroit, Michigan.

Parcel 21. Lot 35, Crane & Wesson's Subdivision of Out Lot 173, Lambert Beaubien Farm, according to the plat thereof recorded in Liber 35, page 201 of Deeds, Wayne County Records. Also known as 2018-22 Beaubien Street, City of Detroit, Michigan.

Parcel 22. Lot 9, Blocks 2 and 3, Van Dyke Section of the Antoine Beaubien Farm, according to the plat thereof recorded in Liber 1, page 122 of Plats, Wayne County Records. Also known as 548 Vernor Highway, East, City of Detroit, Michigan.

Parcel 23. Lot 36, except the rear 50 feet, of Cleland & Cowies Subdivision of the West 236 feet of the A. Beaubien Farm, between Fremont Street and Warren Avenue, City of Detroit, Wayne County, Michigan, according to the plat thereof recorded in Liber 9, page 40 of Plats, Wayne County Records. Also known as 583-7 Canfield Ave., Northwest corner of Canfield Avenue and St. Antoine Street, City of Detroit, Michigan.

Parcel 24. Lot 113 of Crane & Wesson's Subdivision of the L. Moran Farm, North of Gratiot Ave., according to the plat thereof recorded in Liber 1, page 125 of Plats, Wayne County Records. Also known as 962 Napoleon Street, City of Detroit, Michigan.

Parcel 25. Lot 42, S. B. Morse's Subdivision of part of Lot 3, North of Gratiot Street, Mullett Farm, Private Claims 7 and 132, according to the plat thereof, recorded in Liber 46, page 514 of Deeds, Wayne County Records. Also known as 1336 Alfred Street, City of Detroit, Michigan.

Parcel 26. Lot 47 Miller and Hallock's Subdivision of Lot 9 and part of 10, G. Hunt farm, according to the plat thereof recorded in Liber 5, page 22, of Plats, Wayne County Records. Also known as 3289 Congress Street, City of Detroit, Michigan.

Parcel 27. Lot 11 Wirth's resubdivision of the N. part of Lot 13, Lieb farm, City of Detroit, Wayne County, Michigan, T. 2 S., R. 12 E., according to the plat thereof recorded in Liber 6, page 83 of plats, Wayne County Records. Also known as 3647 Arndt Street, City of Detroit, Michigan.

Parcel 28. Lot 4, Block 27, of the subdivision of part of James Campau farms, East ½ P.C. 91, according to the plat thereof recorded in Liber 2, Page 18 of Plats, Wayne County Records. Also known as 2253 Watson Street, City of Detroit, Michigan.

Parcel 29. East 28 feet of Lot 1, and the West 2 feet of Lot 2, Yeman's subdivision of that portion of Out Lot 193 lying between Farnsworth Street and Theodore Street, of the subdivision of the L. Beaubien farm, City of Detroit, Wayne County, Michigan, according to the plat thereof recorded in Liber 10, page 79, of Plats, Wayne County Records. Also known as 504 Farnsworth Avenue, the Southeast corner of Farnsworth and Beaubien Street, City of Detroit, Michigan.

Parcel 30. Lot 13, Block 13, of the Plat of Subdivision of the Crane farm, being the rear concession of P.C. 247, between

Hancock and Brainard, according to the plat thereof recorded August 9, 1855, in Liber 60, Page 58, of Deeds, Wayne County Records. Also known as 4438 Fourth Avenue, City of Detroit, Michigan.

Parcel 31. Lots 11 and 12, Block 8, of the Plat of Subdivision of the Crane farm, being the rear concession of P.C. 247, between Hancock and Brainard, according to the plat thereof recorded August 9, 1855, in Liber 60, Page 58, of Deeds, Wayne County Records. Also known as 4414-20-22 Fourth Avenue, City of Detroit, Michigan.

Parcel 32. Lot 23, Block 81, Plat of the Subdivision of the Jones farm, north of Grand River Avenue, Detroit, according to the plat thereof recorded in Liber 6, page 7, of Plats, Wayne County Records. Also known as 3486 Fourth Avenue, City of Detroit, Michigan.

Parcel 33. Lot 15, Block 68, and Lot 16, Block 68, of the Cass Western Addition to the City of Detroit, between the Chicago Road and the Grand River Road, according to the plat thereof recorded in Liber 42, pages 138-139, 140 and 141 of Deeds, Wayne County Records. Also known as 2220 Third Street, City of Detroit, Michigan.

Parcel 34. Lot 83, Subdivision of the South part of Out Lot 95, Woodbridge farm, Detroit, Michigan, according to the plat thereof recorded in Liber 1, page 181, of Plats, Wayne County Records. Also known as 2800 Trumbull Avenue, City of Detroit, Michigan.

Parcel 35. Lot 48, Wm. B. Wesson's subdivision of Out Lots 6, 7, south part of Out Lot 5, on P. C. No. 25, being rear concession to the Logan farm. Also Out Lots 13, 17 and 18, Thompson Farm, City of Detroit, P. C. 25, according to the plat thereof recorded in Liber 10, page 56, Plats, Wayne County Records. Also known as 5002 Avery Avenue, City of Detroit, Michigan.

Parcel 36. The East 37 feet of the West 44 feet of Lot A, S. B. Grummond's Subdivision of North 187 feet of Lot 11,

and South 63 feet of Lot 12, Baker Farm, Detroit, Michigan, according to the plat thereof recorded in Liber 11, page 60, of Plats, Wayne County Records. Also known as 1348 Perry Street, City of Detroit, Michigan.

Parcel 37. The West 50 feet of Lot 25, Block 94, William L. Woodbridge's Subdivision, Plat of Blocks 93 and 94, and the North part of J. T. Abbott's Lot, Woodbridge Farm, Detroit, Wayne County, Michigan, T. 2 S., R. 12E., according to the plat thereof recorded in Liber 4, page 82, of Plats, Wayne County Records. Also known as 1528 Perry Street, City of Detroit, Michigan.

Parcel 38. The East 100 feet of Lot 98, McKeown's Subdivision of the South part of Out Lot 96, Woodbridge Farm, City of Detroit, Wayne County, Michigan, T. 2 S., R 12 E., according to the plat thereof recorded in Liber 3, page 50 of Plats, Wayne County Records. Also known as 3003-7 Trumbull Avenue, City of Detroit, Michigan.

Parcel 39. Lot 4 of J. Marr's Subdivision of Lots 40 and 41 and the North 18.5 feet of Lot 39, Thompson Farm, Detroit, Wayne County, Michigan, according to the Plat thereof recorded in Liber 10, page 94 of Plats, Wayne County Records. Also known as 2903 Twelfth Street, City of Detroit, Michigan.

Parcel 40 and Parcel 41. Lots 3 and 4 of the South part of Out Lot 174, Lambert Beaubien Farm, according to the plat thereof recorded in Liber 1, page 22 of Plats, Wayne County Records. Also known as 440 Elizabeth Street East, City of Detroit, Michigan.

Parcel 42. The West 25 feet of the East 50 feet of Lot 26 and 25, of Crane & Wesson's Subdivision of Out Lot 173, Lambert Beaubien Farm, according to the plat thereof recorded February 19, 1849, in Liber 35, Page 201 Deeds, Wayne County Records. Also known as 514 Adams Avenue, East, City of Detroit, Michigan.

Parcel 43. Lot 21, Albert Crane's Subdivision of Out Lot 186, Lambert Beaubien Farm, Detroit, Michigan, according

to the plat thereof recorded in Liber 1, Page 8, of Plats, Wayne County Records. Also known as 425-9 Superior Street, City of Detroit, Michigan.

Parcel 44. Lot 2, Theodore J. and Denis J. Campau, Subdivision of Out Lot 175, Lambert Beaubien Farm, Joseph Campau Estate, containing 4.01 acres, according to the plat thereof recorded in Liber 2, Page 3 of Plats, Wayne County Records. Also known as 506 Elizabeth Street, City of Detroit, Michigan.

Parcel 45. Lot 85, Albert Crane's Section of the Thompson Farm, being part of P. C. 227. Late Springwells, now Detroit, Michigan, according to the plat thereof recorded in Liber 1, Page 11, of Plats, Wayne County Records. Also known as 1931 Linden Street, City of Detroit, Michigan.

Parcel 46. Lot 53 and the South 16 feet of Lot 57, of Larned's Subdivision on the Lafferty Farm, according to the plat thereof recorded July 24, 1855, in Liber 60, Pages 2-3 of Deeds, Wayne County Records. Also known as 2515-21 Vermont Street, Detroit, Michigan.

Parcel 47. Lot 28 and the East 12.83 feet of Lot 27, Chidsey's Subdivision of the South half of Lot 4 and the North part of Lot 3, of Quarter Section 4, T.T.A.T. Hamtramck, Wayne County, Michigan, according to the plat thereof recorded in Liber 9, Page 85, of Plats, Wayne County Records. Also known as 13920 John R. Street, the Northeast corner of John R. Street and Gerald Avenue, Highland Park, Michigan.

Parcel 48. Lot 232 of Woodruff's Subdivision of Lot 3, Lafferty Farm, P. C. 228, South of Grand River Avenue, according to the plat thereof recorded in Liber 2, Page 32, of Plats, Wayne County Records. Also known as 1950 Myrtle Street, City of Detroit, Michigan.

Parcel 49. All of Lot 20, and the North 11 feet of Lot 19, Albert Crane's Section of the Labrosse and Baker Farms, being Lots 20 to 33 inclusive of Wesson Section of the Labrosse and Baker Farms, Detroit, Michigan, according to the plat

thereof recorded in Liber 1, Page 123, of Plats, Wayne County Records. Also known as 4123 Sixth Street, City of Detroit, Michigan.

Parcel 50. Lots 1 and 2 of Northwood's Subdivision of part of the Loranger Farm, and the Southerly 60 feet of Lots 33, 34 and 35 of B. and J. Stroh's Subdivision of Part of PC 474, Loranger Farm, South of D. M. and T.R.R., Detroit, Wayne County, Michigan, according to the plat thereof recorded in Liber 22, page 19, of Plats, Wayne County Records. Also known as 4495-7 Humboldt Avenue, City of Detroit, Michigan.

XIX.

That there are no assets in the Estate of John P. Paul, deceased, from which the sum owing to plaintiff for Federal estate tax and interest now due and unpaid can be collected.

XX.

That subsequent to May 5, 1926, to date of death of said John P. Paul, certain of the parcels of real estate hereinbefore described, have been conveyed and encumbered as follows, to-wit:

Parcel 1. Mortgaged by Lena Paul, widow of John P. Paul, to the Detroit Savings Bank for $20,000.00, on July 23, 1930, said mortgage being recorded July 25, 1930, in Liber 2506, Page 207 of Mortgages, Wayne County Records. Conveyed by Lena Paul to John W. Paul, Frederick P. Paul, Nettie B. Paul, Riney F. Paul, Amelia L. Paul and Charles P. Paul, by a deed dated February 13, 1931, and recorded June 20, 1931 in Liber 3613, Page 291 of Deeds, Wayne County Records. Subject of a Sheriff's Deed dated May 18, 1934 to the Detroit Savings Bank in the foreclosure of the aforementioned mortgage, said deed being recorded June 6, 1934 in Liber 4183, Page 56 of Deeds, Wayne County Records. Parcel now in control of Ernest H. King, Receiver, in that certain cause designated as Chancery No. 241,203, in the Wayne County Circuit Court. Said parcel

is subject to the Claim of the State of Michigan and the County of Wayne for unpaid taxes for the years 1932 to 1934 inclusive, and to the claim of the City of Detroit for unpaid taxes for the years 1931 to 1935, inclusive, the former in the amount of $1,396.37 plus interest, and the latter in the amount of $583.59.

Parcel 2. Mortgaged by Lena Paul, widow of John P. Paul, to the Detroit Savings Bank for $18,000.00, on February 8, 1927, said mortgage being recorded on February 15, 1927 in Liber 1898, Page 1 of Mortgages, Wayne County Records. Conveyed by Lena Paul to John W. Paul, Frederick P. Paul, Nettie B. Paul, Riney F. Paul, Amelia L. Paul and Charles P. Paul, by a deed dated February 13, 1931, and recorded June 20, 1931 in Liber 3613, Page 291 of Deeds, Wayne County Records. Subject of a Sheriff's deed dated May 18, 1934, to the Detroit Savings Bank in the foreclosure of its aforementioned mortgage, said deed being recorded June 6, 1934, in Liber 4183, Page 41 of Deeds, Wayne County Records. Parcel now in control of Ernest H. King, receiver in that certain cause designated as Chancery No. 241,203, in the Wayne County Circuit Court. Said parcel is subject to the claim of the State of Michigan and the County of Wayne for unpaid taxes for the years 1932 to 1934 inclusive, and to the claim of the City of Detroit for unpaid taxes for the years 1931, 1933, 1934 and 1935, the former in the amount of $387.81, and the latter in the amount of $2,145.86, plus interest.

Parcel 2a. Conveyed by Oscar Bowman to John W. Paul, Nettie Paul and Amelia Paul, all unmarried, as joint tenants and not tenants in common, by a warranty deed dated December 21, 1927, said deed being recorded January 26, 1928 in Liber 2778, Page 7 of Deeds, Wayne County Records. Conveyed by above grantees to Frederick P. Paul and Ruby Paul, his wife, jointly as tenants by the entireties, and Riney F. Paul and Jessie B. Paul, his wife, jointly as tenants by the entireties, by a quit claim deed dated September 27, 1927, and

recorded September 28, 1933 in Liber 4012, Page 184 of Deeds, Wayne County Records. Said parcel was listed among the gross assets of the Estate of John P. Paul, deceased, as a land contract payable in which Oscar Bowman held the vendor's interest. Said parcel is subject to the claim of the State of Michigan and the County of Wayne for unpaid taxes for the years 1932 to 1934 inclusive, and to the claim of the City of Detroit for unpaid taxes for the years 1931 to 1935 inclusive, the former amount being $160.77, and the latter $1,466.29 plus interest.

Parcel 3. Conveyed by Lena Paul, widow of John P. Paul, to John W. Paul, Frederick P. Paul, Nettie B. Paul, Riney F. Paul, Amelia L. Paul and Charles P. Paul, by a deed dated February 13, 1931, and recorded June 20, 1931 in Liber 3613, Page 291 of Deeds, Wayne County Records. Conveyed by John W. Paul, single, Frederick P. Paul and Ruby Paul, his wife, Nettie B. Paul, unmarried, Riney F. Paul and Jessie B. Paul, his wife, and Amelia L. Paul to Frederick P. Paul and Ruby H. Paul, his wife, jointly as an estate by the entireties, and Riney F. Paul and Jessie, his wife, jointly as an estate by the entireties, by a quit claim deed dated September 27, 1933, and recorded September 28, 1933 in Liber 4012, Page 186 of Deeds, Wayne County Records. Said parcel is subject to the claim of the State of Michigan and the County of Wayne for unpaid taxes for the years 1930 to 1934 inclusive, and to the claim of the City of Detroit for unpaid taxes for the years 1931 to 1935 inclusive, the former in the amount of $418.37, and the latter in the sum of $1,353.89. Taxes for the year 1930 were sold by the City of Detroit to Charles H. Wiltsie, one of the defendants herein.

Parcel 4. Conveyed by Barnet Poliat and Jane Poliat, his wife, to Lena Paul by a warranty deed dated September 20, 1926, and recorded September 21, 1926, in Liber 2428, Page 559 of Deeds, Wayne County Records. Mortgaged by Lena Paul to the Detroit Savings Bank for $20,000, on October 9,

1926, said mortgage being recorded in Liber 1827, Page 387 of Mortgages, Wayne County Records. Conveyed by Lena Paul to John W. Paul, Frederick P. Paul, Nettie B. Paul, Riney F. Paul, Amelia L. Paul and Charles P. Paul by a deed dated February 13, 1931, and recorded June 20, 1931 in Liber 3613 of Deeds, Page 291, Wayne County Records. Conveyed by Frederick P. Paul and Ruby H. Paul, his wife, Riney F. Paul and Jessie B. Paul, his wife, and Amelia L. Paul, to John W. Paul and Nettie B. Paul. Subject to a Sheriff's Deed dated May 18, 1934, to the Detroit Savings Bank in the foreclosure of its aforementioned mortgage, said deed being recorded in Liber 4183, Page 36 of Deeds, Wayne County Records, on June 6, 1934. Parcel now in control of Ernest H. King, appointed Receiver in that certain cause designated as Chancery No. 241,203, in the Circuit Court for the County of Wayne. Said parcel is subject to the claims of the State of Michigan and the County of Wayne for unpaid taxes for the years 1932 to 1934, inclusive, and to the claim of the City of Detroit for unpaid taxes for the years 1933 to 1935 inclusive, the former in the amount of $345.50; and the latter in the amount of $1,513.69, plus interest.

Parcel 5. Conveyed by Lena Paul to John W. Paul, Frederick P. Paul, Nettie B. Paul, Riney F. Paul, Amelia L. Paul, and Charles P. Paul, by a deed dated February 13, 1931, and recorded June 20, 1931, in Liber 3613, Page 291 of Deeds, Wayne County Records. Conveyed by John W. Paul, single, Frederick P. Paul and Ruby Paul, his wife, Nettie B. Paul, unmarried, Riney F. Paul and Jessie B. Paul, his wife, and Amelia L. Paul, unmarried, to Frederick P. Paul and Ruby H. Paul, his wife, jointly as an estate by the entireties, and Riney F. Paul and Jessie B. Paul, his wife, jointly, as an estate by the entireties, by a quit claim deed dated September 27, 1933, recorded September 28, 1933 in Liber 4012, Page 186 of Deeds, Wayne County Records. Said parcel is subject to the claims of the State of Michigan and the County of Wayne for unpaid

taxes for the years 1932 to 1934 inclusive, in the sum of $362.93, and to the claim of the City of Detroit for unpaid taxes for the years 1931 to 1935 inclusive, in the total sum of $2,723.27, plus interest. 1931 and 1932 taxes are under the Seven Year Plan.

Parcel 6. Conveyed by Lena Paul, widow of John P. Paul, deceased, to John W. Paul, Frederick P. Paul, Nettie B. Paul, Riney F. Paul, Amelia L. Paul and Charles P. Paul by a deed dated February 13, 1931, and recorded June 20, 1931 in Liber 3613, Page 291 of Deeds, Wayne County Records. Conveyed by John W. Paul, Frederick P. Paul and Ruby Paul, his wife, Nettie B. Paul, Riney F. Paul and Jessie B. Paul, his wife, jointly as an estate by the entireties, and Riney F. Paul and Jessie B. Paul, his wife, jointly as an estate by the entireties, by a quit claim deed dated September 27, 1933 in Liber 4012, Page 186 of Deeds, Wayne County Records. Said parcel is subject to the claims of the State of Michigan and the County of Wayne for unpaid taxes for the years 1930 to 1934 inclusive, in the sum of $339.54, and to the claim of the City of Detroit for unpaid taxes for the years 1931 to 1935 inclusive, in the sum of $1,180.84, plus interest. Taxes of the City of Detroit for the year 1930 were sold to Charles H. Wiltsie, one of the within named defendants.

Parcel 8. Conveyed by Lena Paul to John W. Paul, Frederick P. Paul, Nettie B. Paul, Riney F. Paul, Amelia L. Paul and Charles P. Paul by a deed dated February 13, 1931, and recorded June 20, 1931 in Liber 3613, Page 291 of Deeds, Wayne County Records. Conveyed by John W. Paul, Frederick P. Paul and Ruby H. Paul, his wife, Nettie B. Paul, Riney F. Paul and Jessie B. Paul, his wife, and Amelia L. Paul to Frederick P. Paul and Ruby H. Paul, his wife, jointly as an estate by the entireties, and Riney F. Paul and Jessie B. Paul, his wife, jointly as an estate by the entireties, by a quit claim deed dated September 27, 1933, and recorded September 30, 1933 in Liber 4012, Page 186 of Deeds, Wayne

County Records. Prior to said deed just mentioned, the grantors mortgaged the premises to the Detroit Savings Bank. Said mortgage, dated June 22, 1931, in the amount of $28,000.00, was recorded June 30, 1931 in Liber 2601, Page 272 of Mortgages, Wayne County Records. Parcel is the subject of a Sheriff's Deed dated May 18, 1934, to the Detroit Savings Bank in the foreclosure of its aforementioned mortgage, said deed being recorded June 6, 1934 in Liber 4182, Page 595 of Deeds, Wayne County Records. Parcel now in custody of Ernest H. King, appointed Receiver in that certain cause designated as Chancery No. 241,203, Wayne County Circuit Court. Said parcel is also subject to the claims of the State of Michigan and the County of Wayne for unpaid taxes for the years 1932 to 1934 inclusive, and the claim of the City of Detroit for unpaid taxes for the years 1931 and 1933 to 1935 inclusive, the former in the sum of $971.74, and the latter in the sum of $3,989.88, plus interest.

Parcel 9. Mortgaged by John P. Paul and Lena Paul, his wife, to the Detroit Savings Bank for $35,000.00 on September 22, 1924, said mortgage being recorded September 23, 1924 in Liber 1371, Page 118 of Mortgages, Wayne County Records. Conveyed by Lena Paul, widow of John P. Paul, deceased, to John W. Paul, Frederick P. Paul, Nettie B. Paul, Riney F. Paul, Amelia L. Paul and Charles P. Paul by a deed dated February 13, 1931, recorded June 20, 1931 in Liber 3613, Page 291 of Deeds, Wayne County Records. Conveyed by Frederick P. Paul and Ruby H. Paul, his wife, Riney F. Paul and Jessie B. Paul, his wife, and Amelia L. Paul, unmarried, to John W. Paul, single, and Nettie B. Paul, unmarried, by a quit claim deed dated September 27, 1933, and recorded September 28, 1933 in Liber 4012, Page 196 of Deeds, Wayne County Records. Said parcel is the subject of a Sheriff's Deed, dated May 18, 1934, to the Detroit Savings Bank on the foreclosure of its mortgage, as hereinbefore set forth, said deed being recorded June 6, 1934 in Liber 4153, Page 51 of Deeds,

Wayne County Records. Parcel now held by Ernest H. King, appointed receiver in that certain proceedings designated as Chancery No. 241,203, in the Wayne County Circuit Court. Said parcel is also subject to the claims of the State of Michigan and the County of Wayne for unpaid taxes for the years 1932 to 1934 inclusive, in the amount of $1,621.87, and to the claim of the City of Detroit for unpaid taxes for the years 1933 to 1935, inclusive, in the sum of $5,711.71, plus interest.

Parcel 10. Mortgaged by Lena Paul, widow of John P. Paul, deceased, to the Detroit Savings Bank for $25,000.00 on October 8, 1927, said mortgage being recorded October 12, 1927 in Liber 2027, Page 356 of Mortgages, Wayne County Records. Conveyed by Lena Paul to John W. Paul, Frederick P. Paul, Nettie B. Paul, Riney F. Paul, Amelia L. Paul and Charles P. Paul by quit claim deed dated February 13, 1931, and recorded June 20, 1931, in Liber 3613, Page 291 of Deeds, Wayne County Records. Conveyed by Frederick P. Paul and Ruby H. Paul, his wife, Riney F. Paul and Jessie B. Paul, his wife, and Amelia L. Paul, unmarried, to John W. Paul, single, and Nettie B. Paul, unmarried, by a quit claim deed dated September 27, 1933, recorded September 28, 1933 in Liber 4012, Page 196 of Deeds, Wayne County Records. Subject of a Sheriff's Deed to the Detroit Savings Bank dated May 25, 1934, and recorded June 14, 1934 in Liber 4185, Page 478 of Deeds, Wayne County Records, in foreclosure of its aforementioned mortgage. Parcel now held by Ernest H. King, as Receiver in that proceedings designated as Chancery No. 241,203, in the Circuit Court for the County of Wayne. Said parcel is also subject to the claims of the State of Michigan and the County of Wayne for unpaid taxes for the years 1932 to 1934 inclusive, in the amount of $253.98, and to the claim of the City of Detroit for unpaid taxes for the years 1933 to 1935 inclusive, in the sum of $909.01, plus interest.

Parcel 11. Mortgaged by Lena Paul, widow of John P. Paul, deceased, to the Detroit Savings Bank for $18,000.00

on August 1, 1929, said mortgage being recorded August 5, 1929 in Liber 2363, Page 440, of Mortgages, Wayne County Records. Conveyed by Lena Paul to Frederick P. Paul, John W. Paul, Nettie B. Paul, Riney F. Paul, Amelia L. Paul, and Charles P. Paul by a deed dated February 13, 1931 recorded June 20, 1931 in Liber 3613, Page 291, of Deeds, Wayne County Records. Conveyed by Frederick P. Paul and Ruby H. Paul, his wife, Riney F. Paul and Jessie B. Paul, his wife, and Amelia L. Paul, unmarried, to John W. Paul, single, and Nettie B. Paul, unmarried, by a quit claim deed dated September 27, 1933, recorded September 28, 1933 in Liber 4012, Page 196, of deeds, Wayne County Records. Subject of a Sheriff's Deed, dated May 18, 1934, to the Detroit Savings Bank, under the foreclosure of its aforementioned mortgage, said deed being recorded in Liber 4183, Page 46, of Deeds, Wayne County Records. Parcel now held by Ernest H. King under the receivership created in the proceedings in Chancery No. 241,203, Wayne County Circuit Court. Said parcel is also subject to claims of the State of Michigan and the County of Wayne for unpaid taxes for the years 1932 to 1934 inclusive, in the sum of $208.92, and to the claim of the City of Detroit for unpaid taxes for the years 1933 to 1935 inclusive, in the amount of $712.01, plus interest. Taxes for the year 1929 on this parcel were sold to M. Faust, a defendant named in this bill, said taxes being sold to him by the City of Detroit.

Parcel 12. Conveyed by Lena Paul, widow of John P. Paul, deceased, to Frederick P. Paul, John W. Paul, Nettie B. Paul, Riney F. Paul, Amelia L. Paul and Charles P. Paul, by a deed dated February 13, 1931 and recorded June 20, 1931 in Liber 3613, Page 291, of Deeds, Wayne County Records. Conveyed by John W. Paul, single, Frederick P. Paul and Ruby H. Paul, his wife, Nettie B. Paul, unmarried, Riney F. Paul and Jessie B. Paul, his wife, and Amelia L. Paul, unmarried, to Frederick P. Paul and Ruby H. Paul, his wife, jointly as an estate by the entireties, and Riney F. Paul and Jessie B.

Paul, his wife, jointly as an estate by the entireties, by a quit claim deed dated September 27, 1933, recorded September 28, 1933, in Liber 4012, Page 186, of Deeds, Wayne County Records. Said parcel is subject to the claims of the State of Michigan and the County of Wayne for unpaid taxes for the years 1930 to 1934 inclusive, in the sum of $258.41, and to the claim of the City of Detroit for unpaid taxes for the years 1931 to 1935 inclusive, in the amount of $913.84, plus interest. Taxes for the year 1930 were sold by the City of Detroit to Charles H. Wiltsie, a defendant named in this bill.

Parcel 13. Conveyed by Lena Paul, widow of John P. Paul, deceased, to John W. Paul, Frederick P. Paul, Nettie B. Paul, Riney F. Paul, Amelia L. Paul and Charles P. Paul, by a deed dated February 13, 1931, recorded June 20, 1931 in Liber 3613, Page 291, of Deeds, Wayne County Records. Conveyed by John W. Paul, single, Frederick P. Paul and Ruby H. Paul, his wife, Riney F. Paul and Jessie B. Paul, his wife, and Amelia L. Paul, unmarried, to Frederick P. Paul and Ruby H. Paul, his wife, Riney F. Paul, and Jessie B. Paul, his wife, and Amelia L. Paul, unmarried, to Frederick P. Paul and Ruby H. Paul, his wife, jointly as an estate by the entireties, and Riney F. Paul and Jessie B. Paul, his wife, jointly as an estate by the entireties, by a quit claim deed dated September 27, 1933, recorded September 28, 1933, in Liber 4012, Page 186 of Deeds, Wayne County Records. Said parcel is subject to the claims of the State of Michigan and the County of Wayne for unpaid taxes for the years 1930 to 1934 inclusive, in the sum of $170.49, and to the claim of the City of Detroit for unpaid taxes, for the years 1931 to 1935 inclusive, in the sum of $528.81, plus interest. Taxes for the year 1930 were sold by the City of Detroit to Charles H. Wiltsie, one of the defendants named, on June 1, 1931.

Parcel 14. Conveyed by Lena Paul, widow of John P. Paul, deceased, to John W. Paul, Frederick P. Paul, Nettie B. Paul, Riney F. Paul, Amelia L. Paul and Charles P. Paul by a deed

dated February 13, 1931, recorded June 20, 1931 in Liber 3613, Page 291, of Deeds, Wayne County Records. Conveyed by John W. Paul, single, Frederick P. Paul and Ruby H. Paul, his wife, Nettie B. Paul, unmarried, Riney F. Paul and Jessie B. Paul, his wife and Amelia L. Paul, unmarried, to Frederick P. Paul, and Ruby H. Paul, his wife, jointly as an estate by the entireties, and Riney F. Paul and Jessie B. Paul, his wife, jointly as an estate by the entireties, by a quit claim deed dated September 27, 1933, recorded September 28, 1933 in Liber 4012, Page 186, of Deeds, Wayne County Records. Said parcel is subject to the claims of the State of Michigan and the County of Wayne for unpaid taxes for the years 1930 to 1934 inclusive, in the sum of $210.24, and to the claim of the City of Detroit for unpaid taxes for the years 1931 to 1935 inclusive, in the sum of $781.47, plus interest. Taxes for the year 1930 were sold by the City of Detroit to Charles H. Wiltsie, one of the defendants named, on June 1, 1931.

Parcel 15. Conveyed by Lena Paul, widow of John P. Paul, deceased, to John W. Paul, Frederick P. Paul, Nettie B. Paul, Riney F. Paul, Amelia L. Paul, and Charles L. Paul, by a deed dated February 13, 1931, recorded June 20, 1931 in Liber 3613, page 291 of Deeds, Wayne County Records. Conveyed by John W. Paul, Frederick P. Paul, and Ruby H. Paul, his wife, Amelia L. Paul, Riney F. Paul and Jessie B. Paul, his wife, and Nettie B. Paul to Frederick P. Paul, and Ruby Paul, his wife, jointly as tenants by the entireties, and Riney F. Paul and Jessie B. Paul, his wife, jointly as tenants by the entireties, by a quit claim deed dated September 27, 1933, recorded September 28, 1933 in Liber 4012, page 186, of Deeds, Wayne County Records. Said parcel is also subject to the claims of the State of Michigan and the County of Wayne for unpaid taxes for the years 1930 to 1934 inclusive, in the sum of $137.84 and to the claim of the City of Detroit for unpaid taxes for the years 1931 to 1935 inclusive, in the sum of $464.78, plus interest. Taxes for the year 1930 were

sold by the City of Detroit to Charles H. Wiltsie, one of the defendants named, on June 1, 1931.

Parcel 16. Conveyed by Lena Paul, widow of John P. Paul, deceased, to John W. Paul, Frederick P. Paul, Nettie B. Paul, Riney F. Paul, Amelia L. Paul and Charles P. Paul by a deed dated February 13, 1931, recorded June 20, 1931 in Liber 3613, page 291, of Deeds, Wayne County Records. Conveyed by John W. Paul, Frederick P. Paul and Ruby H. Paul, his wife, Nettie B. Paul, Riney F. Paul and Jessie B. Paul, his wife, and Amelia L. Paul to Frederick P. Paul and Ruby H. Paul, his wife, jointly as tenants by the entireties, and Riney F. Paul, and Jessie B. Paul, his wife, jointly as tenants by the entireties, by a quit-claim deed dated September 27, 1933, recorded September 28, 1933 in Liber 4012 Deeds, Page 186, Wayne County Records. Said parcel is also subject to the claims of the State of Michigan and the County of Wayne for unpaid taxes for the years 1930 to 1934 inclusive, in the amount of $246.58, and to the claim of the City of Detroit for unpaid taxes for the years 1931 to 1935 inclusive in the sum of $822.30, plus interest. Taxes for the year 1930 were sold by the City of Detroit to Charles H. Wiltsie, one of the defendants herein named, on June 1, 1931.

Parcel 17. Conveyed by Lena Paul, widow of John P. Paul, deceased, to John W. Paul, Frederick P. Paul, Nettie B. Paul, Riney F. Paul, Amelia L. Paul and Charles P. Paul by a deed dated February 13, 1931, recorded June 20, 1931, in Liber 3613, Page 291, of Deeds, Wayne County Records. Conveyed by John W. Paul, Frederick P. Paul and Ruby H. Paul, Nettie B. Paul, Riney F. Paul and Jessie B. Paul, his wife, and Amelia L. Paul to Frederick P. Paul and Ruby H. Paul, his wife, jointly as tenants by the entireties, and Riney F. Paul, and Jessie B. Paul, his wife, jointly as tenants by the entireties by a quit-claim deed dated September 27, 1933 and recorded September 28, 1933 in Liber 4012, Page 186, of Deeds, Wayne County Records. Said parcel is subject to the claims

of the State of Michigan and the County of Wayne for unpaid taxes for the years 1930 to 1934 inclusive, in the sum of $97.45, and to the claim of the City of Detroit for unpaid taxes for the years 1931 to 1935 inclusive, in the sum of $348.39, and to the claim of the City of Detroit for taxes for the year 1930 which was sold to Charles H. Wiltsie on June 1, 1931.

Parcel 18. Mortgaged by John P. Paul and Lena Paul, his wife, to Edward H. Rogers, for the sum of $10,000.00, on June 8, 1923, said mortgage being recorded June 9, 1923 in Liber 1210, Page 412, of Mortgages, Wayne County Records. Said mortgage was made to Edward H. Rogers as Trustee for Charles Fuller, incompetent, of Farmington, Michigan. Conveyed by Lena Paul, widow of John P. Paul, deceased, to John W. Paul, Frederick P. Paul, Nettie B. Paul, Riney F. Paul, Amelia L. Paul and Charles P. Paul, by a deed dated February 13, 1931, recorded June 20, 1931 in Liber 3613, Page 291, of Deeds, Wayne County Records. Conveyed by Frederick P. Paul and Ruby Paul, his wife, Riney F. Paul and Jessie B. Paul, his wife, and Amelia L. Paul to John W. Paul and Nettie B. Paul by a quit-claim deed dated September 27, 1933, recorded September 28, 1933, in Liber 4012, Page 196, of Deeds, Wayne County Records. Said parcel is subject to the claims of the State of Michigan and the County of Wayne for unpaid taxes for the years 1930 to 1934 inclusive, and to the claim of the City of Detroit for unpaid taxes for the years 1931 to 1935 inclusive, the former in the sum of $365.27, and the latter in the sum of $1326.21. Taxes for the year 1930 were sold to Charles H. Wiltsie on June 1, 1931.

Parcel 19. Conveyed by Lena Paul, widow of John P. Paul, deceased, to John W. Paul and Nettie B. Paul by a quit-claim deed dated February 13, 1931 and recorded September 28, 1933 in Liber 4012, Page 173, of Deeds, Wayne County Records. Said conveyance was made subject to the mortgage made by John P. Paul and Lena Paul, his wife, to George S. Hickey, for $12,000.00, on March 1, 1920, as recorded March

15, 1920 in Liber 970, Page 360, of Mortgages, Wayne County Records, and subject to the balance, if any due under the mortgage to the Union Trust Company dated July 10, 1922 and recorded September 21, 1922 in Liber 1101, Page 584, of Mortgages, Wayne County Records. The mortgagee's interest in the aforementioned Hickey mortgage was listed as an asset of the Estate of the said George S. Hickey, deceased, of which T. Paul Hickey was administrator, and an heir at law with Julia Blanch Hickey, his sister, as shown by the file in the Probate Court for the County of Wayne, file number 146,313, and included in the distribution made to the said T. Paul Hickey and the said Julia Blanche Hickey by her guardian, Howard J. Ely, appointed under proceedings in Probate Court, file number 146,312, Wayne County. Said parcel is also subject to the claims of the State of Michigan and the County of Wayne for unpaid taxes for the years 1930 to 1934 inclusive, in the sum of $356.86, and to the claim of the City of Detroit for unpaid taxes for the years 1931 to 1935 inclusive, in the sum of $1,313.87, plus interest. Taxes for the year 1930 were sold by the City of Detroit to Charles H. Wiltsie on June 1, 1931.

Parcel 20. Conveyed by Lena Paul, widow of John P. Paul, deceased, to John W. Paul, Frederick P. Paul, Nettie B. Paul, Riney F. Paul, Amelia L. Paul, and Charles P. Paul under a deed dated February 13, 1931, recorded June 20, 1931 in Liber 3613, Page 291, of Deeds, Wayne County Records, said conveyance being subject to that certain mortgage made by Barnet Poliat and Jane Poliat, his wife, to the Detroit Savings Bank on April 24, 1920 and recorded May 4, 1920, in Liber 986, Page 400, of Mortgages, Wayne County Records, said mortgage having been assumed by John P. Paul and Lena Paul, his wife, on conveyance to them by Barnet Poliat and Jane Poliat, his wife. Conveyed by Frederick P. Paul and Ruby H. Paul, his wife, Riney F. Paul and Jessie B. Paul, his wife, and Amelia L. Paul to John W. Paul and

Nettie B. Paul by a quit-claim deed dated September 27, 1933 and recorded September 28, 1933 in Liber 4012, Page 196, of Deeds, Wayne County Records. Subject of a Sheriff's Deed to the Detroit Savings Bank, dated September 7, 1934, recorded September 27, 1934 in Liber 4254, Page 421, of Deeds, Wayne County Records. Said parcel also subject to the claims of the State of Michigan and the County of Wayne for unpaid taxes for the year 1934 and to the claim of the City of Detroit for unpaid taxes 1933 to 1935 inclusive, the former in the sum of $25.55 and the latter in the sum of $359.40.

Parcel 21. Conveyed by Elias H. Setters, Administrator of the Estate of Marion M. Young, deceased, to Nettie Paul and John W. Paul, sister and brother, as tenants in common, by a warranty deed dated September 12, 1929, recorded September 12, 1929 in Liber 3226, Page 165, of Deeds, Wayne County Records. Conveyed by Nettie Paul and John W. Paul to Frederick P. Paul and Ruby Paul, his wife, jointly as tenants by the entireties, and Riney F. Paul and Jessie B. Paul, his wife, jointly as tenants by the entireties, by a quit-claim deed dated September 27, 1933, recorded September 28, 1933 in Liber 4012, Page 194, of Deeds, Wayne County Records. Subject to the claims of the State of Michigan and the County of Wayne for unpaid taxes for the years 1930 to 1934 inclusive, in the sum of $442.98, and to the claim of the City of Detroit for unpaid taxes for the years 1931 to 1935 inclusive in the sum of $1,550.97, plus interest. Taxes for the year 1930 were sold to Charles H. Wiltsie by the City of Detroit on June 1, 1931. Said parcel was included in the gross estate of John P. Paul, deceased, as a land contract payable.

Parcel 22. Conveyed by Lena Paul, widow of John P. Paul, deceased, to John W. Paul, Frederick P. Paul, Nettie B. Paul, Riney F. Paul, Amelia L. Paul and Charles P. Paul by a deed dated February 13, 1931, recorded June 20, 1931 in Liber 3613, Page 291, of Deeds, Wayne County Records. Conveyed by John W. Paul, Frederick P. Paul and Ruby H. Paul,

his wife, Nettie B. Paul, Riney F. Paul and Jessie B. Paul, his wife, Amelia L. Paul to Frederick P. Paul and Ruby Paul, his wife, jointly as tenants by the entireties, and Riney F. Paul and Jessie B. Paul, his wife, jointly as tenants by the entireties, by a quit-claim deed dated September 27, 1933 recorded September 28, 1933 in Liber 4012, Page 186 of Deeds, Wayne County Records. Subject also to the claims of the State of Michigan and the County of Wayne for unpaid taxes for the years 1930 to 1934 inclusive, in the sum of $173.71, and to the claim of the City of Detroit for unpaid taxes for the years 1931 to 1935 inclusive, in the sum of $637.74, plus interest. Taxes for the year 1930 were sold by the City of Detroit to Charles Wiltsie on June 1, 1931.

Parcel 23. Conveyed by Lena Paul, widow of John P. Paul, deceased, to John W. Paul, Frederick P. Paul, Nettie B. Paul, Riney F. Paul, Amelia L. Paul, and Charles P. Paul by a deed dated February 13, 1931, recorded June 20, 1931 in Liber 3613, Page 291, of Deeds, Wayne County Records, subject to a mortgage of $6,000.00 to E. C. Chilas, Oulette Ave., Windsor, Ontario, Canada, as listed in the Estate Tax return for the Estate of John P. Paul, deceased. Conveyed by John W. Paul, Frederick P. Paul and Ruby Paul, his wife, Nettie B. Paul, Riney F. Paul and Jessie Paul, his wife, and Amelia L. Paul to Frederick P. Paul and Ruby H. Paul, his wife, as an estate by the entireties, and Riney F. Paul and Jessie B. Paul, his wife, jointly, as tenants by the entireties, in a quit claim deed dated September 27, 1933, recorded September 28, 1933 in Liber 4012, Page 186, of Deeds, Wayne County Records. Said parcel is also subject to the claims of the State of Michigan and the County of Wayne for unpaid taxes for the years 1930 to 1934 inclusive in the sum of $323.70, and to the claim of the City of Detroit for unpaid taxes for the years 1931 to 1935 inclusive, in the sum of $1,253.72, plus interest. Taxes for the year 1930 were sold by the City of Detroit to Charles H. Wiltsie on June 1, 1931.

Parcel 24. Conveyed by Lena Paul, widow of John P. Paul, deceased, to John W. Paul, Frederick P. Paul, Nettie B. Paul, Riney F. Paul, Amelia L. Paul and Charles P. Paul by a deed dated February 13, 1931, and recorded June 20, 1931 in Liber 3613, Page 291, of Deeds, Wayne County Records. Conveyed by John W. Paul, Frederick P. Paul and Ruby Paul, his wife, Nettie B. Paul, Riney F. Paul and Jessie B. Paul, his wife, and Amelia L. Paul to Frederick P. Paul and Ruby Paul, his wife, jointly, as tenants by the entireties, and Riney F. Paul, and Jessie B. Paul, jointly, as tenants by the entireties, by a quit claim deed dated September 27, 1933, recorded September 28, 1933, in Liber 4012, Page 186, of Deeds, Wayne County Records. Said parcel is also subject to the claims of the State of Michigan and the County of Wayne for unpaid taxes for the years 1930 to 1934 inclusive, in the sum of $78.21, and to the claim of the City of Detroit for taxes for the years 1931 to 1935 inclusive, in the sum of $287.27, plus interest. Taxes for the year 1930 were sold on June 1, 1931 to Charles H. Wiltsie.

Parcel 25. Conveyed by John L. Herschman and Gertrude Herschman, his wife, and Charlotte Herschman to Frederick P. Paul and Ruby Paul, his wife, jointly, as an estate by the entireties, and Riney F. Paul and Jessie B. Paul, his wife, jointly, as an estate by the entireties, on October 30, 1930, recorded September 28, 1933 in Liber 4012, Page 175, of Deeds, Wayne County Records. Said parcel is listed as a land contract payable in the Estate of John P. Paul, deceased, according to the return filed. Said parcel is subject to the claims of the State of Michigan and the County of Wayne for taxes for the years 1931 to 1934 inclusive, in the sum of $100.21, and to the claim of the City of Detroit for unpaid taxes for the years 1931 to 1935 inclusive, in the sum of $497.47. Taxes for the year 1930 were sold by the City of Detroit to Charles H. Wiltsie on June 1, 1931.

Parcel 26. Conveyed by Lena Paul, widow of John P. Paul, deceased, to John W. Paul, Frederick P. Paul, Nettie B. Paul, Riney F. Paul, Amelia L. Paul and Charles P. Paul by a deed dated February 13, 1931, recorded June 20, 1931 in Liber 3613, Page 291, of Deeds, Wayne County Records. Conveyed by John W. Paul, Frederick P. Paul and Ruby H. Paul, his wife, Nettie B. Paul, Riney F. Paul and Jessie B. Paul, his wife, and Amelia L. Paul to Frederick P. Paul and Ruby H. Paul, his wife, jointly, as an estate by the entireties, and Riney F. Paul, and Jessie B. Paul, his wife, jointly, as an estate by the entireties by a quit claim deed dated September 27, 1933 and recorded September 28, 1933 in Liber 4012, Page 186, of Deeds, Wayne County Records. Said parcel is subject to the claims of the State of Michigan and the County of Wayne for unpaid taxes for the years 1930 to 1934 inclusive, in the sum of $94.95, and to the claim of the City of Detroit for unpaid taxes for the years 1930 to 1935 inclusive, in the sum of $448.95, plus interest.

Parcel 27. Conveyed by Lena Paul, widow of John P. Paul, deceased, to John W. Paul, Frederick P. Paul, Nettie B. Paul, Riney F. Paul, Amelia L. Paul and Charles P. Paul by a deed dated February 13, 1931 and recorded June 20, 1931 in Liber 3613, Page 291, of Deeds, Wayne County Records. Conveyed by John W. Paul, Frederick P. Paul and Ruby H. Paul, his wife, Nettie B. Paul, Riney F. Paul and Jessie B. Paul, his wife, and Amelia L. Paul to Frederick P. Paul and Ruby H. Paul, his wife, jointly as tenants by the entireties, and Riney F. Paul and Jessie B. Paul, jointly, as tenants by the entireties, by a quit claim deed dated September 27, 1933 and recorded September 28, 1933 in Liber 4012, Page 186, of Deeds, Wayne County Records. Said parcel is subject to the claims of the State of Michigan and the County of Wayne for unpaid taxes for the years 1930 to 1934 inclusive, in the sum of $66.37, and to the claim of the City of Detroit for unpaid

taxes for the years 1930 to 1935 inclusive, in the sum of $312.19, plus interest.

Parcel 28. Conveyed by Lena Paul, widow of John P. Paul, deceased, to John W. Paul, Frederick P. Paul, Nettie B. Paul, Riney F. Paul, Amelia L. Paul and Charles P. Paul by a deed dated February 13, 1931, and recorded June 20, 1931 in Liber 3613, Page 291 of Deeds, Wayne County Records. Conveyed by John W. Paul, Frederick P. Paul and Ruby H. Paul, his wife, Nettie B. Paul, Riney F. Paul and Jessie B. Paul, his wife, and Amelia L. Paul to Frederick P. Paul and Ruby H. Paul, his wife, jointly as an estate by the entireties, and Riney F. Paul and Jessie B. Paul, his wife, jointly as an estate by the entireties, by a quit claim deed dated September 27, 1933, and recorded in Liber 4012, Page 186 of Deeds, Wayne County Records. Said parcel is subject to the claims of the State of Michigan and the County of Wayne for unpaid taxes for the years 1930 to 1934 inclusive, in the sum of $53.80, and to the claim of the City of Detroit for unpaid taxes for the years 1930 to 1935 inclusive, of which the 1930, 1931 and 1932 taxes have been placed on the "Seven Year Plan," in the sum of $250.72, plus interest.

Parcel 29. Mortgaged by John P. Paul and Lena Paul, his wife, to the Detroit Trust Company for $2,000.00 on November 6, 1907, said mortgage being recorded on November 7, 1907 in Liber 502, Page 204 of Mortgages, Wayne County Records. Conveyed by Lena Paul, widow of John P. Paul, deceased, subject to above mortgage, to John W. Paul, Frederick P. Paul, Nettie B. Paul, Riney F. Paul, Amelia L. Paul and Charles P. Paul by a deed dated February 13, 1931, and recorded June 20, 1931 in Liber 3613, Page 291 of Deeds, Wayne County Records. Conveyed by John W. Paul, Frederick P. Paul and Ruby H. Paul, his wife, Nettie B. Paul, Riney F. Paul and Jessie B. Paul, his wife, and Amelia L. Paul to Frederick P. Paul and Ruby Paul, his wife, and Riney F. Paul and Jessie B. Paul, his wife, both jointly and as tenants by

the entireties, by a quit claim deed dated September 27, 1933, recorded September 28, 1933 in Liber 4012, Page 186 of Deeds, Wayne County Records. Said parcel is also subject to the claims of the State of Michigan and the County of Wayne for unpaid taxes for the years 1930 to 1934 inclusive, in the sum of $218.75, and to the claim of the City of Detroit for unpaid taxes for the years 1930 to 1935 inclusive, in the sum of $1,054.36, plus interest.

Parcel 30. Conveyed by Lena Paul, widow of John P. Paul, deceased, to John W. Paul, Frederick P. Paul, Nettie B. Paul, Riney F. Paul, Amelia L. Paul and Charles P. Paul by a deed dated February 13, 1931, and recorded June 20, 1931 in Liber 3613, Page 291 of Deeds, Wayne County Records. Conveyed by John W. Paul, Frederick P. Paul and Ruby H. Paul, his wife, Nettie B. Paul, Riney F. Paul and Jessie B. Paul, his wife, and Amelia L. Paul to Frederick P. Paul and Ruby H. Paul, his wife, jointly as tenants by the entireties, and Riney F. Paul and Jessie B. Paul, his wife, jointly as tenants by the entireties, by a quit claim deed dated September 27, 1933, recorded September 28, 1933 in Liber 4012, Page 186 of Deeds, Wayne County Records. Subject to the claims of the State of Michigan and the County of Wayne for unpaid taxes for the years 1930 to 1934 inclusive, in the sum of $165.92, and to the claim of the City of Detroit for unpaid taxes for the years 1931 to 1935 inclusive, in the sum of $528.83, plus interest. Taxes for the year 1930 were sold by the City of Detroit to Charles H. Wiltsie on June 1, 1931. Taxes for the year 1929 were sold by the City of Detroit on June 1, 1930, to M. Faust.

Parcel 31. Mortgaged by Lena Paul, widow of John P. Paul, deceased, to the Detroit Savings Bank on July 11, 1928, for $13,400.00, said mortgage being recorded July 16, 1928 in Liber 2171, Page 528 of Mortgages, Wayne County Records. Conveyed by Lena Paul to John W. Paul, Frederick P. Paul, Nettie B. Paul, Riney F. Paul, Amelia Paul and Charles P. Paul by a deed dated February 13, 1931, and recorded June

20, 1931 in Liber 3613, Page 291 of Deeds, Wayne County Records. Conveyed by Frederick P. Paul and Ruby H. Paul, his wife, Riney F. Paul and Jessie B. Paul, his wife, and Nettie B. Paul to John W. Paul and Amelia L. Paul by a quit claim deed dated September 27, 1933, recorded September 28, 1933 in Liber 4012, Page 196 of Deeds, Wayne County Records. Subject of Sheriff's Deed to the Detroit Savings Bank dated May 18, 1934, of record June 6, 1934, in Liber 4182, Page 615 of Deeds, Wayne County Records. Parcel now held by Ernest H. King, appointed Receiver in the proceedings recorded in Chancery No. 241,203, in the Wayne County Circuit Court. Said parcel is also subject to the claims of the State of Michigan and the County of Wayne for unpaid taxes for the years 1932 to 1934 inclusive, in the sum of $179.31, and to the claim of the City of Detroit for unpaid taxes for the years 1933 to 1935 inclusive, in the sum of $363.12, plus interest.

Parcel 32. Mortgaged by Lena Paul, widow of John P. Paul, deceased, to the Detroit Savings Bank for $9,000.00 on July 11, 1928, said mortgage being recorded July 16, 1928 in Liber 2171, Page 525 of Mortgages, Wayne County Records. Conveyed by Lena Paul to John W. Paul, Frederick P. Paul, Nettie B. Paul, Riney F. Paul, Amelia L. Paul and Charles P. Paul by a deed dated February 13, 1931, recorded June 20, 1931 in Liber 3613, Page 291 of Deeds, Wayne County Records. Conveyed by Frederick P. Paul and Ruby H. Paul, his wife, Riney F. Paul and Jessie B. Paul, his wife, and Nettie B. Paul to John W. Paul and Amelia L. Paul by a quit claim deed dated September 27, 1933, recorded September 28, 1933 in Liber 4012, Page 186 of Deeds, Wayne County Records. Subject of a Sheriff's Deed to the Detroit Savings Bank, dated May 18, 1934, and recorded June 6, 1934 in Liber 4183, Page 26 of Deeds, Wayne County Records, on foreclosure of above mortgage. Parcel now held by Ernest H. King, appointed Receiver in the proceedings recorded in Chancery No. 241,203, in the Wayne County Circuit Court. Said parcel is subject to

the claims of the State of Michigan and the County of Wayne for unpaid taxes for the years 1932 to 1934 inclusive, in the sum of $95.39, and the claim of the City of Detroit for unpaid taxes for the years 1933 to 1935 inclusive, in the sum of $322.42, plus interest.

Parcel 33. Conveyed by Lena Paul, widow of John P. Paul, deceased, to John W. Paul, Frederick P. Paul, Nettie B. Paul, Riney F. Paul, Amelia L. Paul and Charles P. Paul by a deed dated February 13, 1931, and recorded June 20, 1931 in Liber 3613, Page 291 of Deeds, Wayne County Records. Conveyed by John W. Paul, Frederick P. Paul and Ruby Paul, his wife, and Amelia L. Paul to Frederick P. Paul and Ruby H. Paul, his wife, jointly, as an estate by the entireties, and Riney F. Paul and Jessie B. Paul, his wife, jointly as an estate by the entireties, by a quit claim deed dated September 27, 1933, and recorded September 28, 1933 in Liber 4012, Page 186 of Deeds, Wayne County Records. Subject to the claims of the State of Michigan and the County of Wayne for unpaid taxes for the years 1930 to 1934 inclusive, in the sum of $725.18, and the claim of the City of Detroit for unpaid taxes for the years 1931 to 1935 inclusive, in the sum of $2,601.34, plus interest. Taxes for the year 1930 were sold by the City of Detroit to Charles H. Wiltsie on June 1, 1931.

Parcel 34. Previously mortgaged by John P. Paul and Lena Paul, his wife, to the Union Trust Company for $6,000.00, on December 1, 1923, said mortgage having been recorded in Liber 1305, Page 180 of Mortgages, Wayne County Records, on December 4, 1923. Conveyed by Lena Paul to John W. Paul, Frederick P. Paul, Nettie B. Paul, Riney F. Paul, Amelia L. Paul and Charles P. Paul on February 13, 1931, by a deed recorded June 20, 1931 in Liber 3613, Page 291 of Deeds, Wayne County Records. Conveyed by John W. Paul, Frederick P. Paul and Ruby H. Paul, his wife, Riney F. Paul and Jessie B. Paul, his wife, Nettie B. Paul and Amelia L. Paul to Frederick P. Paul and Ruby H. Paul, his wife, jointly

as tenants by the entireties, and Riney F. Paul and Jessie B. Paul, his wife, jointly as tenants by the entireties, by a quit claim deed dated September 27, 1933, and recorded September 28, 1933 in Liber 4012, Page 186 of Deeds, Wayne County Records. The aforementioned mortgage to the Union Trust Company was assigned by it to E. B. Finley, Jr., M. E. Bowlus, and E. A. Edwards, as liquidating trustees under that certain deed of trust recorded in Liber 4166, Page 305 of Deeds, Wayne County Records, by an assignment dated May 26, 1934, and recorded July 1, 1934 in Liber 267, Page 171 of Assignments of Mortgages, Wayne County Records. Said parcel is subject also to the claims of the State of Michigan and the County of Wayne for unpaid taxes for the years 1930 to 1934 inclusive, in the sum of $273.28, and to the claim of the City of Detroit for unpaid taxes for the years 1930 to 1935, the years 1930, 1931 and 1932 being on the "Seven Year Plan," inclusive, in the sum of $1,330.99, plus interest.

Parcel 35. Previously mortgaged by Wm. McLoughlin to Peoples Wayne County Bank for $4,500.00 on April 16, 1925, recorded April 17, 1925 in Liber 1478, Page 64 of Mortgages, Wayne County Records. Conveyed to Lena Paul by a warranty deed dated September 10, 1926, recorded September 13, 1926, in Liber 2423, Page 413 of Deeds, Wayne County Records. Conveyed by Lena Paul to John W. Paul, Frederick P. Paul, Nettie B. Paul, Riney F. Paul, Amelia L. Paul and Charles P. Paul, by a quit claim deed dated February 13, 1921, recorded June 20, 1931 in Liber 3613, Page 291 of Deeds, Wayne County Records. Conveyed by John W. Paul, Frederick P. Paul and Ruby H. Paul, Nettie B. Paul, Riney F. Paul and Jessie B. Paul, his wife, and Amelia L. Paul to Frederick P. Paul and Ruby H. Paul, his wife, jointly as tenants by the entireties, and Riney F. Paul and Jessie B. Paul, his wife, jointly as tenants by the entireties, by a quit claim deed dated September 27, 1933, recorded September 28, 1933, in Liber 4012, Page 186 of Deeds, Wayne County Records. Said

parcel is also subject to the claims of the State of Michigan and the County of Wayne for unpaid taxes for the years 1930 to 1934 inclusive, in the sum of $373.52, and to the claim of the City of Detroit for unpaid taxes for the years 1933 to 1935 inclusive, in the sum of $687.82, plus interest, listed as land contract in Estate.

Parcel 36. Conveyed by Lena Paul, widow of John P. Paul, deceased, to John W. Paul, Frederick P. Paul, Nettie B. Paul, Riney F. Paul, Amelia L. Paul and Charles P. Paul, by a deed dated February 13, 1931, and recorded June 20, 1931, in Liber 3613, Page 291 of Deeds, Wayne County Records. Conveyed by John W. Paul, Frederick P. Paul and Ruby H. Paul, his wife, Nettie B. Paul, Riney F. Paul and Jessie B. Paul, his wife, and Amelia L. Paul, to Frederick P. Paul and Ruby H. Paul, his wife, jointly as an estate by the entireties, and Riney F. Paul, and Jessie B. Paul, jointly as an estate by the entireties, by a quit claim deed dated September 27, 1933, and recorded September 28, 1933 in Liber 4012, Page 186 of Deeds, Wayne County Records. Said parcel is subject to the claim of the State of Michigan and the County of Wayne for unpaid taxes for the years 1930 to 1934 inclusive, in the sum of $120.41, and to the claim of the City of Detroit for unpaid taxes for the years 1930 to 1935 inclusive, in the sum of $579.13, plus interest. City taxes for the years 1930, 1931 and 1932 have been placed in the "Seven Year Plan."

Parcel 37. Conveyed by Lena Paul, widow of John P. Paul, deceased, to John W. Paul, Frederick P. Paul, Nettie B. Paul, Riney F. Paul, Amelia L. Paul and Charles L. Paul by deed dated February 13, 1931, and recorded June 20, 1931 in Liber 3613, Page 291 of Deeds, Wayne County Records. Conveyed by John W. Paul, Frederick P. Paul and Ruby H. Paul, his wife, Nettie B. Paul, Riney F. Paul and Jessie B. Paul, his wife, and Amelia L. Paul to Frederick P. Paul and Ruby H. Paul, his wife, jointly, as tenants by the entireties, and Riney F. Paul and Jessie B. Paul, his wife, jointly, as tenants by the

entireties, by a quit claim deed dated September 27, 1933, and recorded September 28, 1933, in Liber 4012, Page 186 of Deeds, Wayne County Records. Said parcel is also subject to the claims of the State of Michigan and the County of Wayne for unpaid taxes for the years 1930 to 1934 inclusive, in the sum of $134.25, and to the City of Detroit for unpaid taxes for the years 1930 to 1935 inclusive, in the sum of $623.88, plus interest.

Parcel 38. Mortgaged by Lena Paul, widow of John P. Paul, deceased, to the Detroit Savings Bank on July 16, 1928, for $12,500.00, said mortgage being recorded July 19, 1938, in Liber 2174, Page 76 of Mortgages, Wayne County Records. Conveyed by Lena Paul to John W. Paul, Frederick P. Paul, Nettie B. Paul, Riney F. Paul, Amelia L. Paul and Charles P. Paul, by a deed dated February 13, 1931, and recorded June 20, 1931 in Liber 3186, Page 291 of Deeds, Wayne County Records. Conveyed by Frederick P. Paul and Ruby Paul, his wife, Riney F. Paul and Jessie B. Paul, his wife, and Amelia L. Paul to John W. Paul and Nettie B. Paul by a quit claim deed dated September 27, 1933, recorded September 28, 1933 in Liber 4012 of Deeds, Page 196, Wayne County Records. Subject of a Sheriff's Deed to the Detroit Savings Bank, in the foreclosure of its aforementioned mortgage, dated May 18, 1934, recorded June 6, 1934, in Liber 4183, Page 31 of Deeds, Wayne County Records. Parcel now held by Ernest H. King, appointed receiver in proceedings in Chancery No. 241,203, Wayne County Circuit Court. Said parcel is subject to the claims of the State of Michigan and the County of Wayne for unpaid taxes for the years 1932 to 1934 inclusive, in the sum of $151.14, and to the claim of the City of Detroit for unpaid taxes for the years 1933 to 1935 inclusive, in the sum of $531:40, plus interest.

Parcel 39. Conveyed by Lena Paul, widow of John P. Paul, deceased, to John W. Paul, Frederick P. Paul, Nettie B. Paul, Riney F. Paul, Amelia L. Paul and Charles P. Paul, by a deed

dated February 13, 1931, and recorded June 20, 1931, in Liber 3613, Page 291 of Deeds, Wayne County Records. Conveyed by John W. Paul, Frederick P. Paul and Ruby H. Paul, his wife, Nettie B. Paul, Riney F. Paul and Jessie B. Paul, his wife, and Amelia L. Paul to Frederick P. Paul and Ruby H. Paul, his wife, jointly, as tenants by the entireties, and Riney F. Paul and Jessie B. Paul, his wife, jointly, as tenants by the entireties, by a quit claim deed dated September 27, 1933, recorded September 28, 1933 in Liber 4012, Page 186 of Deeds, Wayne County Records. Said parcel is subject to the claims of the State of Michigan and the County of Wayne for unpaid taxes for the years 1930 to 1934 inclusive, in the sum of $220.02, and to the claim of the City of Detroit for unpaid taxes for the years 1930 to 1935 inclusive, in the sum of $1,014.26, plus interest.

Parcel 40. Lot 3 mortgaged by John P. Paul and Lena Paul, his wife, to the Detroit Trust Company, for $14,350.00, on July 29, 1903, said mortgage being recorded July 31, 1903 in Liber 441, Page 345 of Mortgages, Wayne County Records. No record of discharge. Lots 3 and 4 conveyed by John P. Paul and Lena Paul, his wife, to Nettie B. Paul, unmarried, by a warranty deed dated June 22, 1925, recorded June 4, 1926, in Liber 2349, Page 219 of Deeds, Wayne County Records. Subject to the claims of the State of Michigan and the County of Wayne for unpaid taxes for the years 1931 to 1934 inclusive, in the sum of $272.72, and to the claim of the City of Detroit for unpaid taxes for the years 1931 to 1935 inclusive, in the sum of $1,391.70, with interest. Said parcels are listed in the gross estate of John P. Paul, deceased, according to the return filed, as conveyed within the two year period.

Parcel 42. Mortgaged by John P. Paul and Lena Paul, his wife, under the mortgage described above (as recorded in Liber 441, Page 345 of Mortgages, Wayne County Records). Conveyed by John P. Paul and Lena Paul, his wife, to Nettie Paul by a warrant deed dated June 22, 1925, recorded June 4,

1926 in Liber 2343, Page 467 of Deeds, Wayne County Records. Conveyed by Nettie B. Paul to Frederick P. Paul and Ruby H. Paul, his wife, and Riney F. Paul and Jessie B. Paul, his wife, both jointly and as tenants by the entireties, by a quit claim deed dated September 27, 1933, and recorded September 28, 1933 in Liber 4012, Page 192 of Deeds, Wayne County Records. Said parcel is subject to the claims of the State of Michigan and the County of Wayne for unpaid taxes for the years 1931 to 1934 inclusive, in the sum of $145.90, and to the claim of the City of Detroit for unpaid taxes for the years 1931 to 1935 inclusive, in the sum of $747.23, with interest. Taxes due to the City of Detroit for the years 1931 and 1932 have been placed on the "Seven Year Plan." Said parcel is listed as having been conveyed with the two year period.

Parcel 43. Conveyed by John P. Paul and Lena Paul, his wife, to Nettie B. Paul, single, by a warranty deed dated June 22, 1925, and recorded June 10, 1926 in Liber 2349, Page 223 of Deeds, Wayne County Records. Conveyed by Nettie Paul to Frederick P. Paul and Ruby H. Paul, his wife, jointly, as an estate by the entireties, and Riney F. Paul and Jessie B. Paul, his wife, jointly, as an estate by the entireties, by a quit claim deed dated September 27, 1933, and recorded September 28, 1933 in Liber 4012, Page 192 of Deeds, Wayne County Records. Said parcel is subject to the claims of the State of Michigan and the County of Wayne for unpaid taxes for the years 1931 to 1934 inclusive, in the sum of $63.41, and to the claim of the City of Detroit for unpaid taxes for the years 1931 to 1935 inclusive, in the sum of $325.13, plus interest. Said parcel is listed as having been conveyed within the two year period.

Parcel 44. Conveyed to Nettie Paul, single, by John P. Paul and Lena Paul, his wife, by a warranty deed dated June 22, 1925, and recorded June 10, 1926 in Liber 2349, Page 221 of Deeds, Wayne County Records. Conveyed by Nettie Paul

to Frederick P. Paul and Ruby H. Paul, his wife, jointly, as an estate by the entireties, and Riney F. Paul and Jessie B. Paul, jointly as an estate by the entireties, by a quit claim deed dated September 27, 1933, recorded September 28, 1933 in Liber 4012, Page 192 of Deeds, Wayne County Records. Said parcel is subject to the claims of the State of Michigan and the County of Wayne for unpaid taxes for the years 1930 to 1934 inclusive, in the sum of $211.16, and to the claim of the City of Detroit for unpaid taxes for the years 1931 to 1935 inclusive, in the sum of $738.42, with interest. Taxes for the year 1930 were sold by the City of Detroit to Charles H. Wiltsie on June 1, 1931. Said parcel is listed as having been conveyed within the two year period, as per the return for the Estate of John P. Paul, deceased.

Parcel 45. Conveyed by John P. Paul and Lena Paul, his wife, to Amelia L. Paul, single, by a warranty deed dated July 10, 1925, and recorded October 20, 1925 in Liber 2168, Page 481 of Deeds, Wayne County Records. Conveyed by Amelia Paul to Emily Bennett on June 2, 1932, said deed being recorded same day in Liber ——, Page —— of Deeds, Wayne County Records. Conveyed by Emily Bennett to Riney F. Paul and Jessie Paul, his wife, by a warranty deed dated June 5, 1932, recorded August 29, 1934 in Liber 4227, Page 422 of Deeds, Wayne County Records. Mortgaged by Riney F. Paul and Jessie Paul, his wife, to the Union Investment Company, for $3,000.00, on August 18, 1934, recorded August 30, 1934 in Liber 2747, Page 609 of Mortgages, Wayne County Records. The note for which said mortgage was given as security was paid on March 11, 1935, and a discharge of the mortgage alleged to have been given, but same is not of record. The parcel is subject to the claims of the State of Michigan and the County of Wayne for unpaid taxes for the years 1930 to 1934 inclusive, in the sum of $89.71, and to the claim of the City of Detroit for unpaid taxes for the years 1930 to 1935

inclusive, in the sum of $423.24, plus interest. City taxes for the years 1930, 1931 and 1932 are on the "Seven Year Plan."

Parcel 46. Conveyed by John Phillip Paul, married, to Amelia L. Paul by a warranty deed dated May 1, 1925 and recorded June 16, 1925 in Liber 2069, Page 557, of Deeds, Wayne County Records, an undivided two-thirds interest in said parcel. Conveyed by Lena Paul, widow of John P. Paul, deceased, to John W. Paul, Frederick P. Paul, Nettie B. Paul, Riney F. Paul, Amelia L. Paul and Charles P. Paul by a deed dated February 13, 1931, recorded June 20, 1931, in Liber 3613, Page 291, of Deeds, Wayne County Records, the remaining one-third interest. Said parcel as a whole is subject to the claims of the State of Michigan and the County of Wayne for unpaid taxes for the years 1930 to 1934 inclusive, in the sum of $126.79, and to the claim of the City of Detroit for unpaid taxes for the years 1930 to 1935 inclusive, in the sum of $587.07, plus interest. A portion of said parcel is listed as having been conveyed within the two year period.

Parcel 47. Conveyed by John P. Paul and Lena Paul, his wife, to Nettie Paul by a warranty deed dated October 5, 1925, recorded June 4, 1926 in Liber 2343, Page 465, of Deeds, Wayne County Records. Mortgaged by Nettie Paul to the Peninsular State Bank for $5000.00 on July 30, 1929, said mortgage being recorded July 31, 1929 in Liber 2360, Page 435. Mortgages, Wayne County Records. Conveyed by Nettie Paul to Frederick P. Paul and Ruby H. Paul, his wife, jointly as tenants by the entireties, and Riney F. Paul and Jessie Paul, his wife, jointly, as tenants by the entireties, by a quit claim deed dated September 27, 1933, recorded September 28, 1933 in Liber 4012, Page 192, of Deeds, Wayne County Records. Said parcel is subject to the claim of the State of Michigan and the claim of the County of Wayne for unpaid taxes for the years 1929 to 1934 inclusive, in the sum of $1405.76, and to the claim of the City of Highland Park for

taxes for the years 1929 to 1935 inclusive; in the sum of $1556.47, plus interest. Said parcel was conveyed within the two year period and included in the return for the Estate of John P. Paul, deceased.

Parcel 48. Conveyed by Lena Paul, widow of John P. Paul, deceased, to John W. Paul, Frederick P. Paul, Nettie B. Paul, Riney F. Paul, Amelia L. Paul and Charles P. Paul by a deed dated February 13, 1931, recorded June 20, 1931 in Liber 3613, Page 291, of Deeds, Wayne County Records. Conveyed by John W. Paul, Frederick P. Paul and Ruby H. Paul, his wife, Nettie B. Paul, Riney F. Paul and Jessie B. Paul, his wife, and Amelia L. Paul to Frederick P. Paul and Ruby H. Paul, his wife, jointly, as tenants by the entireties, and Riney F. Paul and Jessie B. Paul, his wife, jointly, as tenants by the entireties, by a quit claim deed dated September 27, 1933 and recorded September 28, 1933 in Liber 4012, Page 186, of Deeds, Wayne County Records. Said parcel is subject to the claims of the State of Michigan and the County of Wayne for unpaid taxes for the years 1930 to 1934 inclusive, in the sum of $118.41, and to the claim of the City of Detroit for unpaid taxes for the years 1930 to 1935 inclusive, in the sum of $516.97 plus interest.

Parcel 49. Conveyed by Lena Paul, widow of John P. Paul, deceased, to John W. Paul, Frederick P. Paul, Nettie B. Paul, Riney F. Paul, Amelia L. Paul and Charles P. Paul by a deed dated February 13, 1931, recorded June 20, 1931, in Liber 3613, Page 291, of Deeds, Wayne County Records. Conveyed by John W. Paul, Frederick P. Paul and Ruby H. Paul, his wife, Nettie B. Paul, Riney F. Paul and Jessie B. Paul, his wife, and Amelia L. Paul to Frederick B. Paul and Ruby H. Paul, his wife, jointly, as tenants by the entireties, and Riney F. Paul and Jessie B. Paul, his wife, jointly, as tenants by the entireties, by a quit claim deed dated September 27, 1933 recorded September 28, 1933 in Liber 4012, Page 186, of

Deeds, Wayne County Records. Subject to the claims of the State of Michigan and the County of Wayne for unpaid taxes for the years 1930 to 1934 inclusive, in the sum of $90.40, and to the claim of the City of Detroit for unpaid taxes for the years 1930 to 1935 inclusive, in the sum of $413.12, plus interest.

Parcel 50. Conveyed by the Security Trust Company, Administrator of the Estate of Theodore J. Corns, deceased, to John P. Paul and Lena Paul, his wife, in pursuance of a land contract, on February 15, 1927, said deed being recorded March 1, 1927 in Liber 2557, Page 19 of Deeds, Wayne County Records. Mortgaged by Lena Paul, by Nettie B. Paul, her attorney in fact, to the Security Trust Company, for $2500.00, on October 12, 1926, recorded October 14, 1926 in Liber 1828, Page 429, of Mortgages, Wayne County Records. Conveyed by Lena Paul, widow of John P. Paul, deceased, to John W. Paul, Frederick P. Paul, Nettie B. Paul, Riney F. Paul, Amelia L. Paul and Charles P. Paul by a deed dated February 13, 1931 recorded June 20, 1931 in Liber 3613, Page 291, of Deeds, Wayne County Records. Conveyed by John W. Paul, Frederick P. Paul and Ruby H. Paul, his wife, Nettie B. Paul, Riney F. Paul and Jessie B. Paul, his wife, Amelia L. Paul to Frederick P. Paul and Ruby H. Paul, his wife, jointly, as tenants by the entireties, and Riney F. Paul and Jessie B. Paul, his wife, jointly, as tenants by the entireties, by a quit claim deed dated September 27, 1933 and recorded September 28, 1933 in Liber 4012, Page 186, of Deeds, Wayne County Records. Said parcel is subject to the claims of the State of Michigan and the County of Wayne for unpaid taxes for the years 1930 to 1935 inclusive, in the sum of $167.68, and to the claim of the City of Detroit for unpaid taxes for the years 1930 to 1935 inclusive, in the sum of $795.21, plus interest. Said parcel is listed in the return for the Estate of John P. Paul, deceased, as a land contract payable.

XIX

That notwithstanding said conveyances and encumbrances subsequent to May 5, 1926, as hereinbefore described, plaintiff's claim for unpaid estate tax and interest remains in full force and effect as a prior lien against said property.

XX

That plaintiff has no clear, adequate or complete remedy at law against defendants herein, and therefore brings this suit.

WHEREFORE, plaintiff prays:

1. That the Court determine the merits of all claims to and liens upon said real estate; that the interest, lien or claim of the United States be established and enforced as regards said real estate; and that so much of said property as may be necessary to satisfy the tax and interest due to plaintiff as aforesaid, be sold and the proceeds thereof applied in payment of said tax and interest.

2. That plaintiff may have such other and further relief as to the Court may seem meet and proper, as well as a decree for costs.

And may it please the Court to grant unto the plaintiff a writ of subpoena to the United States of America issued out of and under the seal of the Honorable Court, directed to the above-named defendants and commanding them on a date certain and under certain penalties therein expressed, personally to appear before this Court and then and there to answer all and singularly the premises herein, under oath, and to stand to and perform and abide by such orders, directions and decrees as may be made against them in the premises.

GREGORY H. FREDERICK,
United States Attorney,
Attorney for Plaintiff.

UNITED STATES OF AMERICA
EASTERN DISTRICT OF MICHIGAN } SS:

Gregory H. Frederick, being first duly sworn according to law, deposes and says that he is the United States Attorney in and for the Eastern District of Michigan, and is authorized to make this affidavit on behalf of the plaintiff herein; that he makes this affidavit on its behalf, and that upon information and belief the facts set forth in said bill of complaint he believes to be true.

GREGORY H. FREDERICK,

Subscribed and sworn to before me this 4th day of May, 1936.

MILDRED G. CLOONAN,
Notary Public, Wayne County, Mich.
My Commission Expires June 26, 1936.

APPEARANCE OF THE DETROIT BANK

(Filed May 15, 1936)

To the Clerk of Said Court:

Please enter the appearance of The Detroit Bank (formerly The Detroit Savings Bank), a Michigan Banking Corporation, and of Ernest H. King, Receiver in that certain cause listed as No. 241,203, in Chancery, in the Circuit Court for the County of Wayne, by us as their attorneys.

MILLER, CANFIELD, PADDOCK AND STONE,
Attorneys for defendants, The Detroit Bank and Ernest H. King, Receiver.

Dated at Detroit, Michigan,
this 15th day of May, 1936.

To: GREGORY H. FREDERICK,
United States Attorney,
Federal Building,
Detroit, Michigan,
Attorney for Plaintiff.

Sir:

YOU WILL PLEASE TAKE NOTICE That we have this day caused to be entered the appearance of defendants, The Detroit Bank (formerly known as The Detroit Savings Bank), a Michigan Banking Corporation, and Ernest H. King, Receiver in that certain cause listed as No. 241,203, in Chancery, in the Circuit Court for the County of Wayne, by us as their attorneys.

MILLER, CANFIELD, PADDOCK AND STONE,
Attorneys for defendants, The Detroit Bank and Ernest H. King, Receiver.

Dated at Detroit, Michigan,
this 15th day of May, 1936.

ANSWER OF DEFENDANT, THE DETROIT BANK

(Filed May 20, 1936)

Now comes the defendant, The Detroit Bank, and for answer to plaintiff's Bill of Complaint, says:

(1) This defendant admits the allegations contained in Paragraph 1 of plaintiff's Bill of Complaint.

(2) In answer to Paragraph 2 of Plaintiff's Bill of Complaint, this defendant admits that it was, and now is, a corporation duly organized under and by virtue of the laws of the State of Michigan, having its principal place of business in the City of Detroit, State of Michigan, and in the Eastern Judicial District of Michigan, Southern Division. This defendant also admits the jurisdictional allegations regarding the State of Michigan, County of Wayne, and City of Detroit; and also admits jurisdictional allegations regarding the Auditor General of Michigan, the Treasurer of the City of Detroit, and the Treasurer of the County of Wayne; and also admits the jurisdictional allegations regarding the City of Highland Park. As to the other allegations contained in Paragraph 2 of Plaintiff's Bill of Complaint, this defendant having no knowledge thereof neither admits nor denies the same but leaves the plaintiff to its proofs thereof.

(3) This defendant admits the allegations contained in Paragraph 3 of Plaintiff's Bill of Complaint.

(4) This defendant neither admits nor denies the allegations contained in Paragraph 4 of Plaintiff's Bill of Complaint, having no knowledge with regard thereto.

(5) This defendant admits the allegations contained in Paragraph 5 of Plaintiff's Bill of Complaint.

(6) This defendant admits the allegations contained in Paragraph 6 of Plaintiff's Bill of Complaint.

(7) This defendant admits the allegations contained in Paragraph 7 of Plaintiff's Bill of Complaint.

(8) Answering the allegations contained in Paragraph 8 of Plaintiff's Bill of Complaint, this defendant has no knowledge with respect thereto, and hence neither admits nor denies the same but leaves plaintiff to its proofs thereof.

(9) Answering the allegations contained in Paragraph 9 of Plaintiff's Bill of Complaint, this defendant has no knowledge with respect thereto, and hence neither admits nor denies the same but leaves plaintiff to its proofs thereof.

(10) Answering the allegations contained in Paragraph 10 of Plaintiff's Bill of Complaint, this defendant has no knowledge with respect therto, and hence neither admits nor denies the same but leaves plaintiff to its proofs thereof.

(11) Answering the allegations contained in Paragraph 11 of Plaintiff's Bill of Complaint, this defendant has no knowledge with respect thereto, and hence neither admits nor denies the same but leaves plaintiff to its proofs thereof.

(12) This defendant answering the allegations contained in Paragraph 12 of Plaintiff's Bill of Complaint, has no knowledge with respect thereto, and hence neither admits nor denies the same but leaves plaintiff to its proofs thereof.

(13) This defendant answering the allegations contained in Paragraph 13 of Plaintiff's Bill of Complaint, admits that interest would accrue at the rates specified if the deficiency existed as alleged.

(14) This defendant answering the allegations contained in Paragraph 14 of Plaintiff's Bill of Complaint, has no knowledge with respect thereto, and hence neither admits nor denies the same but leaves plaintiff to its proofs thereof.

(15) This defendant answering Paragraph 15 of Plaintiff's Bill of Complaint denies that any notice and demand was ever served upon it, and as to service upon the other parties in this suit, this defendant has no knowledge and hence neither admits nor denies the same but leaves plaintiff to its proofs thereof.

(16) This defendant answering Paragraph 16 of Plaintiff's Bill of Complaint, has no knowledge with respect thereto and hence neither admits nor denies the same but leaves the plaintiff to its proofs thereof.

(17) This defendant answering Paragraph 17 of Plaintiff's Bill of Complaint admits that the sections of the several acts referred to deal with the subject of the estate tax lien. This defendant denies, however, that any lien valid against this defendant attached on May 5, 1926, or at any time subsequent thereto prior to the date that the notice of lien was filed of record, if such filing of record occurred, as to which this defendant has no knowledge and hence leaves the plaintiff to its proofs thereof.

This defendant asserts that if any lien at all exists against the properties in the gross estate of the said John P. Paul, Deceased, such lien is not valid with respect to any properties upon which this defendant has an encumbrance made prior to the date of record of notice of the lien. This defendant's interest in the several properties will be more fully set forth within this Answer.

This defendant further asserts that the provisions of the several revenue acts set forth in the Bill of Complaint creating the estate tax lien are subject to the general lien statute, to-wit—the Revised Statutes of the United States, Section 3186, as amended by Section 613 of the Revenue Act of 1928, and under the terms thereof this defendant asserts that Section 3186 of the Revised Statutes provides for the arising of the lien when the assessment list is received by the Collector, and this defendant alleges that in the instant case the assessment list was not received by the Collector until February 19, 1933, long subsequent to the date of the making of the encumbrances to this defendant, and that therefore the lien of this defendant attached on the properties in question prior to the lien of the United States.

Furthermore this defendant asserts that the lien here asserted by the plaintiff is subject to notice under the provisions of Section 3186 of the Revised Statutes, as amended, which provides that the lien shall not be valid against any mortgagee until notice thereof has been filed by the Collector in accordance with the laws of the state in which the property subject to the lien is situated, whenever the state or territory has by law provided for filing of such notice, and the State of Michigan has provided for the filing of such notice, Act No. 104 of the Public Act of Michigan of 1923, and this defendant asserts that since plaintiff does not even claim that the notice was filed with the Register of Deeds prior to December 26, 1935, which is long subsequent to the date of the making of the several encumbrances to this defendant, therefore the lien of this defendant is superior to that of the plaintiff in each and every instance.

This defendant further alleges that if Section 315 of the Revenue Act of 1926, as amended, establishing an estate tax lien, may be construed to impose a lien on the gross estate valid as against encumbrances made prior to the making of the assessment and prior to the filing of the lien such construction results in making the statute in question violative of the Fifth Amendment to the Constitution of the United States of America in that it deprives this defendant of its property without due process of law.

This defendant further asserts that if so construed, Section 315 of the Revenue Act of 1926, as amended, violates Amendment No. 10 of the Constitution of the United States of America in that the power to create interests in land is peculiarly within the province of the states and is, therefore, a power not delegated to the United States, nor prohibited to the states, and hence is reserved to the states or to the people thereof within the meaning of Article 10 of Amendments to the Constitution of the United States; that the system of land law of the State of Michigan provides for the recording of all

instruments and notices of interest in lands in order to make said interests good against bona fide purchasers and encumbrancers, to wit: Section 13304-9 of the Compiled Laws of Michigan of 1929: This defendant further asserts that it is a bona fide encumbrancer of all the parcels of land upon which it has a mortgage, having loaned money on the security of the same without notice, actual or constructive, of any claim of lien of the United States of America.

(18) This defendant answering Paragraph 18 of Plaintiff's Bill of Complaint says that it has an interest as mortgagee in certain of the parcels set forth in said Paragraph 18, as follows:

Parcels 1-2-4-7-8-9-10-11-20-31-32 and 38.

This defendant, however, denies that any of said parcels in which it is interested is subject to plaintiff's claimed lien for the reasons above stated.

Further answering said Paragraph 18, this defendant has no knowledge with respect to the remaining parcels mentioned in said paragraph.

Further answering said Paragraph 18, this defendant says that it has no knowledge as to whether or not any of said parcels are includable in the gross estate of John P. Paul, deceased.

(19) This defendant, answering the allegations contained in Paragraph 19 of Plaintiff's Bill of Complaint, has no knowledge with respect to the same and hence neither admits nor denies the same but leaves the plaintiff to its proofs thereof.

(20) Answering Paragraph 20 of Plaintiff's Bill of Complant, this defendant asserts that it is the encumbrancer of certain of said parcels, as follows:

Parcel No. 1: This defendant asserts that the mortgage on this parcel was made by Lena Paul as survivor of herself and her deceased husband, John P. Paul; that is, as surviving tenant by the entirety; also that Chancery Cause No. 241,203 is entitled—"John W. Paul and Nettie Paul, Plaintiffs, versus

The Detroit Savings Bank, now The Detroit Bank, a Michigan banking corporation; and Harold E. Stoll, Register of Deeds for Wayne County, Michigan, Defendants."

Parcel No. 2: This defendant admits the allegations with respect to Parcel No. 2. This defendant asserts that the mortgage on this parcel was made by Lena Paul, as survivor of herself and her deceased husband, John P. Paul; that is—as surviving tenant by the entirety.

Parcel No. 4: This defendant admits the allegations with respect to Parcel No. 4. This defendant denies, however, that said parcel was ever part of the Estate of John P. Paul, but was owned by his wife, Lena Paul, in her individual capacity and not as surviving tenant by the entirety, and was not acquired from the Estate of John P. Paul. This defendant, therefore, asserts that plaintiff could not possibly have a lien against this parcel. In addition, plaintiff asserts that the estate tax lien created by Section 315 of the Revenue Act of 1926, as amended, grants a lien only upon the gross estate of the decedent, and in case liability of a transferee is asserted, the lien attaches only to the property transferred, and that this parcel was never part of the gross estate and therefore is not subject to the lien for Lena Paul's liability, if any, as transferee.

Parcel No. 7: Plaintiff has omitted Parcel No. 7 from the list of properties conveyed and encumbered. However, Parcel No. 7 is subject to a mortgage to this defendant made October 8, 1927, recorded November 7, 1927, in Liber 2041 of Mortgages on page 316, and is in the sum of $15,000.00, which mortgage has been foreclosed, sheriff's deed granted May 18, 1934, and is subject to the receivership in Chancery, Cause No. 241,203, Wayne County Circuit Court, Ernest H. King, Receiver. This mortgage was made by Lena Paul as surviving tenant by the entirety.

Parcel No. 8: This defendant admits the allegations with respect to Parcel No. 8. This mortgage was made by the heirs

of John P. Paul, and was originally included in the Estate of John P. Paul, deceased.

Parcel No. 9: This defendant admits the allegations with respect to Parcel No. 9. This mortgage was made on September 22, 1924, prior to the date of death of John P. Paul, and hence is necessarily superior in lien to any claim of the United States since the lien of this defendant's mortgage was in existence at the earliest moment that plaintiff claims its lien arose.

Parcel No. 10: This defendant admits the allegations with respect to Parcel No. 10. This defendant asserts that the mortgage on this parcel was made by Lena Paul, as survivor of herself and her deceased husband, John P. Paul; that is—as surviving tenant by the entirety.

Parcel No. 11: This defendant admits the allegations with respect to Parcel No. 11. This defendant asserts that the mortgage on this parcel was made by Lena Paul, as survivor of herself and her deceased husband, John P. Paul; that is—as surviving tenant by the entirety.

Parcel No. 20: This defendant admits the allegations with respect to Parcel No. 20. This mortgage was made April 24, 1920, by Barnet Poliat and Jane, his wife, and Abraham Lott and Bessie, his wife, and was later assumed by John P. Paul and Lena, his wife, and that therefore plaintiff's lien must be inferior to the lien of this defendant since the lien of this defendant was in existence at the earliest moment that plaintiff claims its lien came into existence. With respect to this parcel, this defendant further asserts that it is included in cause No. 241,203, in the Wayne Circuit Court, in Chancery, and is under the control of Ernest H. King, Receiver.

Parcel No. 31: This defendant admits the allegations with respect to Parcel No. 31. This defendant asserts that the mortgage on this parcel was made by Lena Paul, as survivor of herself and her deceased husband, John P. Paul; that is—as surviving tenant by the entirety.

Parcel No. 32: This defendant admits the allegations with respect to Parcel No. 32. This defendant asserts that the mortgage on this parcel was made by Lena Paul, as survivor of herself and her deceased husband, John P. Paul; that is—as surviving tenant by the entirety.

Parcel No. 38: This defendant admits the allegations with respect to Parcel No. 38. This defendant asserts that the mortgage on this parcel was made by Lena Paul, as survivor of herself and her deceased husband, John P. Paul; that is—as surviving tenant by the entirety.

Further answering said Paragraph 20, this defendant asserts that it has no knowledge with respect to the subsequent conveyances of the parcels in which it is interested, subsequent to the making of its mortgages; that some of the taxes plaintiff schedules as unpaid were paid by this defendant; that otherwise it has no knowledge with respect to the correctness of the amount of unpaid taxes, and therefore neither admits nor denies said allegations but leaves the plaintiff to its proofs thereof. This defendant asserts that some of the descriptions in the Bill of Complaint do not correspond with those contained in this defendant's mortgages, but this defendant does not believe the variances are material.

Further answering said Paragraph 20, this defendant asserts that with respect to Parcels 1-2-7-10-11-31-32 and 38, in addition to the foregoing reasons why there is no lien superior to the lien of this defendant, there is an additional reason, to-wit: That Section 315 of the Revenue Act of 1926, as amended, creates a lien only upon property included in the gross estate in which title was vested in the decedent at the time of his death, in that Section 315(b) creates a lien on property which is part of a gross estate and to which the decedent did not have title at the time of his death, such transfers being those in contemplation of death, or to take effect at or after death, or in case of insurance; and the acquisition of title by Lena Paul, the surviving tenant by entirety, is not in-

cluded within the transfers with respect to which a lien is imposed on property in the hands of a transferee; and the fact that Congress deemed it essential to specifically impose a lien on property in the hands of the transferee in certain cases where the property is included in the gross estate but the decedent did not have title at the time of his death, makes it clear that no such lien is imposed in cases where title was not in the decedent at the time of his death, and Congress failed to make specific provisions for the lien on the property in the hands of the transferee, acquisition as a surviving tenant by entirety being such a case of failure to make specific provisions.

With respect to the remaining parcels in Paragraph 20 of Plaintiff's Bill of Complaint, this defendant has no knowledge, and therefore neither admits nor denies the same but leaves plaintiff to its proofs thereof.

(21) This defendant further asserts that it has paid taxes upon the mortgaged premises as follows:

Parcel No.	*Amount*
1	$12,992.85
2	3,204.79
4	3,404.95
7	572.21
8	4,235.58
9	29,909.54
10	2,212.97
11	1,370.26
20	916.59
31	1,474.91
32	930.87
38	1,392.45
TOTAL	$62,617.97

(22) This defendant asserts that the amounts advanced by it for the payment of taxes were in discharge of prior liens on the premises prior in right to the lien of the United States, if any may have arisen, and that therefore if it should be decreed that the United States had a lien prior in right to that of this defendant with respect to any or all of the parcels in which this defendant is interested, that nevertheless this defendant be decreed to have a prior lien to that of the plaintiff with respect to the amounts advanced for the payment of taxes for the parcels set forth in this paragraph respectively.

(23) This defendant asserts that the amounts due and unpaid to it with respect to the several parcels are as follows:

Parcel No.	*Date*	*Principal*	*Interest*
1	7/1/36	$32,346.65	$ 7,012.03
2	8/1/36	14,974.75	3,716.50
4	10/1/36	18,688.15	4,673.99
7	10/1/36	13,374.73	3,651.08
8	6/1/36	32,583.88	8,178.59
9	9/1/36	48,032.49	9,773.36
10	10/1/36	23,763.67	6,330.44
11	8/1/36	17,905.16	4,626.36
20	10/1/36	1,782.79	297.27
31	7/1/36	12,553.11	3,084.94
32	7/1/36	8,357.57	2,122.32
38	7/1/36	11,675.78	2,866.93

This defendant further asserts that, while it has obtained sheriff's deeds with respect to each of the parcels in which it is interested, all the parcels are involved in Chancery suit No. 241,203 aforesaid, under the control of the aforesaid receiver, said proceedings having been brought under the Michigan Moratorium Act, and therefore this defendant's inchoate title has not ripened into full title because of the pendency of said moratorium proceedings.

WHEREFORE, this defendant prays:

1. That this Court determine that the lien of this defendant

with respect to parcels 1-2-4-7-8-9-10-11-20-31-32 and 38, as set forth in the Bill of Complaint and in this answer, is prior in time and right to the interest, lien or claim of the United States, and that any sale of property to satisfy taxes or interest that may be ordered by this Court shall be decreed to be subject to the lien of this defendant on the parcels aforesaid upon which this defendant has an encumbrance.

2. This defendant further prays that it may be decreed to have a prior lien in the amounts set forth in Paragraph (23) of this Answer.

3. This defendant further prays that it may be decreed to have a prior lien with respect to the taxes paid by it, as set forth in Paragraph (21) of its Answer, even if it be decreed that the lien of the United States is prior to the lien of this defendant with respect to any or all of the parcels in which this defendant is interested, and that the aforesaid taxes be added to the amount decreed to be due to this defendant with respect to its several mortgages.

4. This defendant further prays that the assertion of lien by the plaintiff constitutes a cloud on the title of this defendant and that, with respect to each and every parcel of land in which this defendant is interested, as aforesaid, pursuant to the Act of March 4, 1931, 46 Stat. 1528, and pursuant to Section 3207 of the Revised Statutes of the United States, the Court shall adjudge the merits of all claims and liens upon the real estate in question, and if a sale is decreed, it shall adjudge a distribution of the proceeds thereof—first to this defendant with respect to the parcels upon which this defendant has a lien, or a sale subject to the lien of this defendant.

5. This defendant further prays that it may have such other and additional relief as is agreeable to equity and good conscience.

And this defendant will ever pray, etc.

THE DETROIT BANK

By R. ROMER, *Vice-President.*

MILLER, CANFIELD, PADDOCK & STONE,
Attorneys for Defendant, The Detroit Bank,
3456 Penobscot Building, Detroit, Michigan.

STATE OF MICHIGAN }
COUNTY OF WAYNE } ss.

Before me, a Notary Public in and for said County, appeared R. Romer, to me personally known, who being duly sworn did say that he is the Vice-President of The Detroit Bank, a Michigan banking corporation, and that he has read the foregoing answer executed by him in behalf of said The Detroit Bank, and that he knows the contents thereof and that the same are true; and that he was duly authorized to execute the same on behalf of said The Detroit Bank.

W. F. MULLEN,
Notary Public,
Wayne County, Michigan.

My commission expires: January 18, 1938.

APPEARANCE OF DEFENDANTS CITY OF DETROIT, A Municipal Corporation and ALBERT E. COBO, Treasurer of the City of Detroit

(Filed May 28, 1936)

To the Clerk of Said Court:

Please enter the appearances of the City of Detroit, a Municipal Corporation, and Albert E. Cobo, Treasurer of the City of Detroit, defendants, by the undersigned, their attorneys.

RAYMOND J. KELLY,
Corporation Counsel, and

JOHN H. WITHERSPOON,
Assistant Corporation Counsel
Attorneys for said Defendants

Business Address: 301 City Hall,
Detroit, Michigan
Phone: Cherry 9640.

Dated: Detroit, Michigan
May 27, 1936.

To: GREGORY H. FREDERICK,
United States Attorney for
the Eastern District of Michigan,
Attorney for Plaintiff,

Federal Building,
Detroit, Michigan.

Sir:

Please take notice that the appearances of the City of Detroit, a Municipal Corporation, and Albert E. Cobo,

Treasurer of the City of Detroit, defendants, have been entered herein by the undersigned, their attorneys.

RAYMOND J. KELLY,
Corporation Counsel, and
JOHN H. WITHERSPOON,
Assistant Corporation Counsel
Attorneys for said Defendants
Business Address: 301 City Hall
Detroit, Michigan
Phone: Cherry 9640.

ANSWER OF DEFENDANTS CITY OF DETROIT, A Municipal Corporation, and ALBERT E. COBO, Treasurer of the City of Detroit.

(Filed May 28, 1936)

These defendants now and at all times hereafter saving and reserving unto themselves all manner of exception to the many errors and insufficiencies of plaintiff's bill of complaint, for answer thereunto and for such parts thereof as these defendants are advised it is material or necessary for them to make answer thereto, answering say:

I.

Answering paragraph one, these defendants admit the allegations therein contained.

II.

Answering paragraph two, these defendants admit that the City of Detroit is a municipal corporation of the State of Michigan, and that Albert E. Cobo is Treasurer of the City of Detroit, a citizen of the United States and of the State of Michigan, residing in the City of Detroit, and that both the City of Detroit, a municipal corporation, and Albert E. Cobo are within the Eastern Judicial District of Michigan, Southern Division thereof.

Further answering said paragraph, these defendants admit that they have an interest in the nature of unpaid taxes and assessment liens and City bids for delinquent taxes upon some of the parcels of property described in the bill of complaint.

Further answering said paragraph, these defendants neither admit nor deny the remaining allegations therein contained, not having sufficient information upon which to base an answer, therefore leave the plaintiff to its proofs thereof.

III.

Answering paragraph three, these defendants neither admit nor deny the allegations therein contained, not having sufficient information upon which to base an answer, therefore leave the plaintiff to its proofs thereof.

IV.

Answering paragraph four, these defendants neither admit nor deny the allegations therein contained, not having sufficient information upon which to base an answer, therefore leave the plaintiff to its proofs thereof.

V.

Answering paragraph five, these defendants neither admit nor deny the allegations therein contained, not having sufficient information upon which to base an answer, therefore leave the plaintiff to its proofs thereof.

VI.

Answering paragraph six, these defendants neither admit nor deny the allegations therein contained, not having sufficient information upon which to base an answer, therefore leave the plaintiff to its proofs thereof.

VII.

Answering paragraph seven, these defendants neither admit nor deny the allegations therein contained, not having sufficient information upon which to base an answer, therefore leave the plaintiff to its proofs thereof.

VIII.

Answering paragraph eight, these defendants neither admit nor deny the allegations therein contained, not having sufficient information upon which to base an answer, therefore leave the plaintiff to its proofs thereof.

IX.

Answering paragraph nine, these defendants neither admit nor deny the allegations therein contained, not having sufficient information upon which to base an answer, therefore leave the plaintiff to its proofs thereof.

X.

Answering paragraph ten, these defendants neither admit nor deny the allegations therein contained, not having sufficient information upon which to base an answer, therefore leave the plaintiff to its proofs thereof.

XI.

Answering paragraph eleven, these defendants neither admit nor deny the allegations therein contained, not having sufficient information upon which to base an answer, therefore leave the plaintiff to its proofs thereof.

XII.

Answering paragraph twelve, these defendants neither admit nor deny the allegations therein contained, not having sufficient information upon which to base an answer, therefore leave the plaintiff to its proofs thereof.

XIII.

Answering paragraph thirteen, these defendants neither admit nor deny the allegations therein contained, not having sufficient information upon which to base an answer, therefore leave the plaintiff to its proofs thereof.

XIV.

Answering paragraph fourteen, these defendants neither admit nor deny the allegations therein contained, not having sufficient information upon which to base an answer, therefore leave the plaintiff to its proofs thereof.

XV.

Answering paragraph fifteen, these defendants neither admit nor deny the allegations therein contained, not having sufficient information upon which to base an answer, therefore leave the plaintiff to its proofs thereof.

XVI.

Answering paragraph sixteen, these defendants neither admit nor deny the allegations therein contained, not having sufficient information upon which to base an answer, therefore leave the plaintiff to its proofs thereof.

XVII.

Answering paragraph seventeen, these defendants neither admit nor deny that a lien in favor of the plaintiff attached to the property described in the bill of complaint but aver the fact to be that if said lien did attach that the same is subordinate and inferior to the lien and tax and assessment interest of the City of Detroit for the unpaid taxes and assessments levied upon said property by said City of Detroit.

XVIII.

Answering paragraph eighteen, these defendants neither admit nor deny that a lien for Federal Estate tax and interest attached to the property therein described, but aver that if said lien did attach that the same is subordinate to the unpaid tax and assessment liens and interest of the City of Detroit in said property as hereinbefore set forth.

XIX.

Answering paragraph nineteen, these defendants neither admit nor deny the allegations therein contained, not having sufficient information upon which to base an answer, therefore leave the plaintiff to its proofs thereof.

XX.

These defendants answering paragraph twenty, Parcel 1, admit that upon said parcel there are unpaid tax and assessment liens, and City bids of the City of Detroit, for unpaid taxes and assessments, but deny that the amount of the same is $1,396.37 and aver the fact to be the amount of the same is $2,170.33 which includes interest and penalty to the date of the City bid but does not include interest and penalty to this date which in accordance with the charter of the City of Detroit must be added thereto to the date of payment. The remaining allegations therein contained with reference to Parcel 1, these defendants neither admit nor deny, not having sufficient information upon which to base an answer, therefore leave the plaintiff to its proofs thereof.

These defendants answering paragraph twenty, Parcel 2, admit that upon said parcel there are unpaid tax and assessment liens, and City bids of the City of Detroit for unpaid taxes and assessments, but deny that the amount of the same is $2,145.86 and aver the fact to be the amount of the same is $1,233.36 which includes interest and penalty to the date of the City bid but does not include interest and penalty to this date which in accordance with the charter of the City of Detroit must be added thereto to the date of payment. The remaining allegations therein contained with reference to Parcel 2, these defendants neither admit nor deny, not having sufficient information upon which to base an answer, therefore leave the plaintiff to its proofs thereof.

These defendants answering paragraph twenty, Parcel 2a, admit that upon said parcel there are unpaid tax and assessment liens, and City bids of the City of Detroit for unpaid taxes and assessments, but deny that the amount of the same is $1,466.29 and aver the fact to be the amount of the same is $1,268.78 which includes interest and penalty to the date of the City bid but does not include interest and penalty to this

date which in accordance with the charter of the City of Detroit must be added thereto to the date of payment. The remaining allegations therein contained with reference to Parcel 2a, these defendants neither admit nor deny, not having sufficient information upon which to base an answer, therefore leave the plaintiff to its proofs thereof.

These defendants answering paragraph twenty, Parcel 3, admit that upon said parcel there are unpaid tax and assessment liens, and City bids of the City of Detroit for unpaid taxes and assessments, but deny that the amount of the same is $1,353.89 and aver the fact to be the amount of the same is $1,181.46 which includes interest and penalty to the date of the City bid but does not include interest and penalty to this date which in accordance with the charter of the City of Detroit must be added thereto to the date of payment. The remaining allegations therein contained with reference to Parcel 3, these defendants neither admit nor deny, not having sufficient information upon which to base an answer, and therefore leave the plaintiff to its proof thereof.

These defendants answering paragraph twenty, Parcel 4, admit that upon said parcel there are unpaid tax and assessment liens and City bids of the City of Detroit for unpaid taxes and assessments, but deny that the amount of the same is $1,513.69 and aver the fact to be the amount of the same is $1,122.26 which includes interest and penalty to the date of the City bid but does not include interest and penalty to this date which in accordance with the Charter of the City of Detroit must be added thereto to the date of payment. The remaining allegations therein contained with reference to Parcel 4 these defendants neither admit nor deny, not having sufficient information upon which to base an answer, therefore leave the plaintiff to its proof thereof.

These defendants answering paragraph twenty, Parcel 5, admit that upon said parcel there are unpaid tax and assessment liens and City bids of the City of Detroit for unpaid

taxes and assessments, but deny that the amount of the same is $2,723.27 and aver the fact to be the amount of the same is $2,197.86 which includes interest and penalty to the date of the City bid but does not include interest and penalty to this date which in accordance with the Charter of the City of Detroit must be added thereto to the date of payment. The remaining allegations therein contained with reference to Parcel 5 these defendants neither admit nor deny, not having sufficient information upon which to base an answer, and therefore leave the plaintiff to its proof thereof.

These defendants answering paragraph twenty, Parcel 6, admit that upon said parcel there are unpaid tax and assessment liens and City bids of the City of Detroit for unpaid taxes and assessments, but deny that the amount of the same is $1,180.84 and aver the fact to be the amount of the same is $1,011.78 which includes interest and penalty to the date of the City bid but does not include interest and penalty to this date which in accordance with the Charter of the City of Detroit must be added thereto to the date of payment. The remaining allegations therein contained with reference to Parcel 6 these defendants neither admit nor deny, not having sufficient information upon which to base an answer and therefore leave the plaintiff to its proof thereof.

These defendants answering paragraph twenty, Parcel 7, admit that upon said parcel there are unpaid tax and assessment liens and City bids of the City of Detroit for unpaid taxes and assessments and aver the fact to be the amount of the same is $958.57 which includes interest and penalty to the date of the City bid but does not include interest and penalty to this date which in accordance with the Charter of the City of Detroit must be added thereto to the date of payment. The remaining allegations therein contained with reference to Parcel 7 these defendants neither admit nor deny, not having sufficient information upon which to base an answer and therefore leave the plaintiff to its proof thereof.

These defendants answering paragraph twenty, Parcel 8, admit that upon said parcel there are unpaid tax and assessment liens and City bids of the City of Detroit for unpaid taxes and assessments, but deny that the amount of the same is $3,989.88 and aver the fact to be the amount of the same is $18,843.80 which includes interest and penalty to the date of the City bid but does not include interest and penalty to this date which in accordance with the Charter of the City of Detroit must be added thereto to the date of payment. The remaining allegations therein contained with reference to Parcel 8 these defendants neither admit nor deny, not having sufficient information upon which to base an answer and therefore leave the plaintiff to its proof thereof.

These defendants answering paragraph twenty, Parcel 9, admit that upon said parcel there are unpaid tax and assessment liens and City bids of the City of Detroit for unpaid taxes and assessments, but deny that the amount of the same is $5,711.71 and aver the fact to be the amount of the same is $5,354.32 which includes interest and penalty to the date of the City bid but does not include interest and penalty to this date which in accordance with the Charter of the City of Detroit must be added thereto to the date of payment. The remaining allegations therein contained with reference to Parcel 9 these defendants neither admit nor deny, not having sufficient information upon which to base an answer and therefore leave the plaintiff to its proof thereof.

These defendants answering paragraph twenty, Parcel 10, admit that upon said parcel there are unpaid tax and assessment liens and City bids of the City of Detroit for unpaid taxes and assessments, but deny that the amount of the same is $909.01 and aver the fact to be the amount of the same is $852.71 which includes interest and penalty to the date of the City bid but does not include interest and penalty to this date which in accordance with the Charter of the City of Detroit must be added thereto to the date of payment. The re-

maining allegations therein contained with reference to Parcel 10 these defendants neither admit nor deny, not having sufficient information upon which to base an answer, and therefore leave the plaintiff to its proof thereof.

These defendants answering paragraph twenty, Parcel 11, admit that upon said parcel there are unpaid tax and assessment liens and City bids of the City of Detroit for unpaid taxes and assessments, but deny that the amount of the same is $712.01 and aver the fact to be the amount of the same is $668.80 which includes interest and penalty to the date of the City bid but does not include interest and penalty to this date which in accordance with the Charter of the City of Detroit must be added thereto to the date of payment. The remaining allegations therein contained with reference to Parcel 11 these defendants neither admit nor deny, not having sufficient information upon which to base an answer, and therefore leave the plaintiff to its proof thereof.

These defendants answering paragraph twenty, Parcel 12, admit that upon said parcel there are unpaid tax and assessment liens and City bids of the City of Detroit for unpaid taxes and assessments, but deny that the amount of the same is $913.84 and aver the fact to be the amount of the same is $810.30 which includes interest and penalty to the date of the City bid but does not include interest and penalty to this date which in accordance with the Charter of the City of Detroit must be added thereto to the date of payment. The remaining allegations therein contained with reference to Parcel 12 these defendants neither admit nor deny, not having sufficient information upon which to base an answer, and therefore leave the plaintiff to its proof thereof.

These defendants answering paragraph twenty, Parcel 13, admit that upon said parcel there are unpaid tax and assessment liens and City bids of the City of Detroit for unpaid taxes and assessments, but deny that the amount of the same is $528.81 and aver the fact to be the amount of the same is

$548.91 which includes interest and penalty to the date of the City bid but does not include interest and penalty to this date which in accordance with the Charter of the City of Detroit must be added thereto to the date of payment. The remaining allegations therein contained with reference to Parcel 13 these defendants neither admit nor deny, not having sufficient information upon which to base an answer, and therefore leave the plaintiff to its proof thereof.

These defendants answering paragraph twenty, Parcel 14, admit that upon said parcel there are unpaid tax and assessment liens and City bids of the City of Detroit for unpaid taxes and assessments, but deny that the amount of the same is $781.47 and aver the fact to be the amount of the same is $682.65 which includes interest and penalty to the date of the City bid but does not include interest and penalty to this date which in accordance with the Charter of the City of Detroit must be added thereto to the date of payment. The remaining allegations therein contained with reference to Parcel 14 these defendants neither admit nor deny, not having sufficient information upon which to base an answer, and therefore leave the plaintiff to its proof thereof.

These defendants answering paragraph twenty, Parcel 15, admit that upon said parcel there are unpaid tax and assessment liens and City bids of the City of Detroit for unpaid taxes and assessments, but deny that the amount of the same is $464.78 and aver the fact to be the amount of the same is $405.25 which includes interest and penalty to the date of the City bid but does not include interest and penalty to this date which in accordance with the Charter of the City of Detroit must be added thereto to the date of payment. The remaining allegations therein contained with reference to Parcel 15 these defendants neither admit nor deny, not having sufficient information upon which to base an answer and therefore leave the plaintiff to its proof thereof.

These defendants answering paragraph twenty, Parcel 16, admit that upon said parcel there are unpaid tax and assessment liens and City bids of the City of Detroit for unpaid taxes and assessments, but deny that the amount of the same is $822.30 and aver the fact to be the amount of the same is $709.77 which includes interest and penalty to the date of the City bid but does not include interest and penalty to this date which in accordance with the Charter of the City of Detroit must be added thereto to the date of payment. The remaining allegations therein contained with reference to Parcel 16 these defendants neither admit nor deny, not having sufficient information upon which to base an answer and therefore leave the plaintiff to its proof thereof.

These defendants answering paragraph twenty, Parcel 17, admit that upon said parcel there are unpaid tax and assessment liens and City bids of the City of Detroit for unpaid taxes and assessments, but deny that the amount of the same is $348.39 and aver the fact to be the amount of the same is $303.33 which includes interest and penalty to the date of the City bid but does not include interest and penalty to this date which in accordance with the Charter of the City of Detroit must be added thereto to the date of payment. The remaining allegations therein contained with reference to Parcel 17 these defendants neither admit nor deny, not having sufficient information upon which to base an answer and therefore leave the plaintiff to its proof thereof.

These defendants answering paragraph twenty, Parcel 18, admit that upon said parcel there are unpaid tax and assessment liens and City bids of the City of Detroit for unpaid taxes and assessments, but deny that the amount of the same is $1326.21 and aver the fact to be the amount of the same is $1155.34 which includes interest and penalty to the date of the City bid but does not include interest and penalty to this date which in accordance with the Charter of the City of Detroit must be added thereto to the date of payment. The

remaining allegations therein contained with reference to Parcel 18 these defendants neither admit nor deny, not having sufficient information upon which to base an answer and therefore leave the plaintiff to its proof thereof.

These defendants answering paragraph twenty, Parcel 19, admit that upon said parcel there are unpaid tax and assessment liens and City bids of the City of Detroit for unpaid taxes and assessments, but deny that the amount of the same is $1313.87 and aver the fact to be the amount of the same is $1147.00 which includes interest and penalty to the date of the City bid but does not include interest and penalty to this date which in accordance with the Charter of the City of Detroit must be added thereto to the date of payment. The remaining allegations therein contained with reference to Parcel 19 these defendants neither admit nor deny, not having sufficient information upon which to base an answer and therefore leave the plaintiff to its proof thereof.

These defendants answering paragraph twenty, Parcel 20, admit that upon said parcel there are unpaid tax and assessment liens and City bids of the City of Detroit for unpaid taxes and assessments, but deny that the amount of the same is $359.40 and aver the fact to be the amount of the same is $336.63 which includes interest and penalty to the date of the City bid but does not include interest and penalty to this date which in accordance with the Charter of the City of Detroit must be added thereto to the date of payment. The remaining allegations therein contained with reference to Parcel 20 these defendants neither admit nor deny, not having sufficient information upon which to base an answer and therefore leave the plaintiff to its proof thereof.

These defendants answering paragraph twenty, Parcel 21, admit that upon said parcel there are unpaid tax and assessment liens and City bids of the City of Detroit for unpaid taxes and assessments, but deny that the amount of the same

is $1550.97 and aver the fact to be the amount of the same is $1438.23 which includes interest and penalty to the date of the City bid but does not include interest and penalty to this date which in accordance with the Charter of the City of Detroit must be added thereto to the date of payment. The remaining allegations therein contained with reference to Parcel 21 these defendants neither admit nor deny, not having sufficient information upon which to base an answer and therefore leave the plaintiff to its proof thereof.

These defendants answering paragraph twenty, Parcel 22, admit that upon said parcel there are unpaid tax and assessment liens and City bids of the City of Detroit for unpaid taxes and assessments, but deny that the amount of the same is $637.74 and aver the fact to be the amount of the same is $2819.93 which includes interest and penalty to the date of the City bid but does not include interest and penalty to this date which in accordance with the Charter of the City of Detroit must be added thereto to the date of payment. The remaining allegations therein contained with reference to Parcel 22 these defendants neither admit nor deny, not having sufficient information upon which to base an answer and therefore leave the plaintiff to its proof thereof.

These defendants answering paragraph twenty, Parcel 23, admit that upon said parcel there are unpaid tax and assessment liens and City bids of the City of Detroit for unpaid taxes and assessments, but deny that the amount of the same is $1253.72 and aver the fact to be the amount of the same is $1101.01 which includes interest and penalty to the date of the City bid but does not include interest and penalty to this date which in accordance with the Charter of the City of Detroit must be added thereto to the date of payment. The remaining allegations therein contained with reference to Parcel 23 these defendants neither admit nor deny, not having sufficient information upon which to base an answer and therefore leave the plaintiff to its proof thereof.

These defendants answering paragraph twenty, Parcel 24, admit that upon said parcel there are unpaid tax and assessment liens and City bids of the City of Detroit for unpaid taxes and assessments, but deny that the amount of the same is $287.27 and aver the fact to be the amount of the same is $249.62 which includes interest and penalty to the date of the City bid but does not include interest and penalty to this date which in accordance with the Charter of the City of Detroit must be added thereto to the date of payment. The remaining allegations therein with reference to Parcel 24 these defendants neither admit nor deny, not having sufficient information upon which to base an answer and therefore leave the plaintiff to its proof thereof.

These defendants answering paragraph twenty, Parcel 25, admit that upon said parcel there are unpaid tax and assessment liens and City bids of the City of Detroit for unpaid taxes and assessments, but deny that the amount of the same is $497.47 and aver the fact to be the amount of the same is $465.97 which includes interest and penalty to the date of the City bid but does not include interest and penalty to this date which in accordance with the Charter of the City of Detroit must be added thereto to the date of payment. The remaining allegations therein with reference to Parcel 25 these defendants neither admit nor deny, not having sufficient information upon which to base an answer and therefore leave the plaintiff to its proof thereof.

These defendants answering paragraph twenty, Parcel 26, admit that upon said parcel there are unpaid tax and assessment liens and City bids of the City of Detroit for unpaid taxes and assessments, but deny that the amount of the same is $448.95 and aver the fact to be the amount of the same is $381.15 which includes interest and penalty to the date of the City bid but does not include interest and penalty to this date which in accordance with the Charter of the City of Detroit must be added thereto to the date of payment. The

remaining allegations therein contained with reference to Parcel 26 these defendants neither admit nor deny, not having sufficient information upon which to base an answer and therefore leave the plaintiff to its proof thereof.

These defendants answering paragraph twenty, Parcel 27, admit that upon said parcel there are unpaid tax and assessment liens and City bids of the City of Detroit for unpaid taxes and assessments, but deny that the amount of the same is $312.19 and aver the fact to be the amount of the same is $264.18 which includes interest and penalty to the date of the City bid but does not include interest and penalty to this date which in accordance with the Charter of the City of Detroit must be added thereto to the date of payment. The remaining allegations therein contained with reference to Parcel 27 these defendants neither admit nor deny, not having sufficient information upon which to base an answer and therefore leave the plaintiff to its proof thereof.

These defendants answering paragraph twenty, Parcel 28, admit that upon said parcel there are unpaid tax and assessment liens and City bids of the City of Detroit for unpaid taxes and assessments, but deny that the amount of the same is $250.72 and aver the fact to be the amount of the same is $251.99 which includes interest and penalty to the date of the City bid but does not include interest and penalty to this date which in accordance with the Charter of the City of Detroit must be added thereto to the date of payment. The remaining allegations therein contained with reference to Parcel 28 these defendants neither admit nor deny, not having sufficient information upon which to base an answer and therefore leave the plaintiff to its proof thereof.

These defendants answering paragraph twenty, Parcel 29, admit that upon said parcel there are unpaid tax and assessment liens and City bids of the City of Detroit for unpaid taxes and assessments, but deny that the amount of the same is $1054.36 and aver the fact to be the amount of the same is

$799.59 which includes interest and penalty to the date of the City bid but does not include interest and penalty to this date which in accordance with the Charter of the City of Detroit must be added thereto to the date of payment. The remaining allegations therein contained with reference to Parcel 29 these defendants neither admit nor deny, not having sufficient information upon which to base an answer and therefore leave the plaintiff to its proof thereof.

These defendants answering paragraph twenty, Parcel 30, admit that upon said parcel there are unpaid tax and assessment liens, and City bids of the City of Detroit for unpaid taxes and assessments, but deny that the amount of the same is $528.83 and aver the fact to be the amount of the same is $453.41 which includes interest and penalty to the date of the City bid but does not include interest and penalty to this date which in accordance with the charter of the City of Detroit must be added thereto to the date of payment. The remaining allegations therein contained with reference to Parcel 30, these defendants neither admit nor deny, not having sufficient information upon which to base an answer, therefore leave the plaintiff to its proofs thereof.

These defendants answering paragraph twenty, Parcel 31, admit that upon said parcel there are unpaid tax and assessment liens, and City bids of the City of Detroit for unpaid taxes and assessments, but deny that the amount of the same is $363.12 and aver the fact to be the amount of the same is $384.44 which includes interest and penalty to the date of the City bid but does not include interest and penalty to this date which in accordance with the charter of the City of Detroit must be added thereto to the date of payment. The remaining allegations therein contained with reference to Parcel 31, these defendants neither admit nor deny, not having sufficient information upon which to base an answer, therefore leave the plaintiff to its proof thereof.

These defendants answering paragraph twenty, Parcel 32, admit that upon said parcel there are unpaid tax and assessment liens, and City bids of the City of Detroit for unpaid taxes and assessments, but deny that the amount of the same is $322.42 and aver the fact to be the amount of the same is $180.33 which includes interest and penalty to the date of the City bid but does not include interest and penalty to this date which in accordance with the charter of the City of Detroit must be added thereto to the date of payment. The remaining allegations therein contained with reference to Parcel 32, these defendants neither admit nor deny, not having sufficient information upon which to base an answer, therefore leave the plaintiff to its proofs thereof.

These defendants answering paragraph twenty, Parcel 33, admit that upon said parcel there are unpaid tax and assessment liens, and City bids of the City of Detroit for unpaid taxes and assessments, but deny that the amount of the same is $2,601.34 and aver the fact to be the amount of the same is $2,266.62 which includes interest and penalty to the date of the City bid but does not include interest and penalty to this date which in accordance with the charter of the City of Detroit must be added thereto to the date of payment. The remaining allegations therein contained with reference to Parcel 33, these defendants neither admit nor deny, not having sufficient information upon which to base an answer, therefore leave the plaintiff to its proofs thereof.

These defendants answering paragraph twenty, Parcel 34, admit that upon said parcel there are unpaid tax and assessment liens, and City bids of the City of Detroit for unpaid taxes and assessments, but deny that the amount of the same is $1,330.99 and aver the fact to be the amount of the same is $1,180.55 which includes interest and penalty to the date of the City bid but does not include interest and penalty to this date which in accordance with the charter of the City of Detroit must be added thereto to the date of payment. The re-

maining allegations therein contained with reference to Parcel 34, these defendants neither admit nor deny, not having sufficient information upon which to base an answer, therefore leave the plaintiff to its proofs thereof.

These defendants answering paragraph twenty, Parcel 35, admit that upon said parcel there are unpaid tax and assessment liens, and City bids of the City of Detroit for unpaid taxes and assessments, but deny that the amount of the same is $687.82 and aver the fact to be the amount of the same is $646.09 which includes interest and penalty to the date of the City bid but does not include interest and penalty to this date which in accordance with the charter of the City of Detroit must be added thereto to the date of payment. The remaining allegations therein contained with reference to Parcel 35, these defendants neither admit nor deny, not having sufficient information upon which to base an answer, therefore leave the plaintiff to its proofs thereof.

These defendants answering paragraph twenty, Parcel 36, admit that upon said parcel there are unpaid tax and assessment liens, and City bids of the City of Detroit for unpaid taxes and assessments, but deny that the amount of the same is $579.13 and aver the fact to be the amount of the same is $502.02 which includes interest and penalty to the date of the City bid but does not include interest and penalty to this date which in accordance with the charter of the City of Detroit must be added thereto to the date of payment. The remaining allegations therein contained with reference to Parcel 36, these defendants neither admit nor deny, not having sufficient information upon which to base an answer, therefore leave the plaintiff to its proofs thereof.

These defendants answering paragraph twenty, Parcel 37, admit that upon said parcel there are unpaid tax and assessment liens, and City bids of the City of Detroit for unpaid taxes and assessments, but deny that the amount of the same is $623.88 and aver the fact to be the amount of the same is

$522.66 which includes interest and penalty to the date of the City bid but does not include interest and penalty to this date which in accordance with the charter of the City of Detroit must be added thereto to the date of payment. The remaining allegations therein contained with reference to Parcel 37, these defendants neither admit nor deny, not having sufficient information upon which to base an answer, therefore leave the plaintiff to its proofs thereof.

These defendants answering paragraph twenty, Parcel 38, admit that upon said parcel there are unpaid tax and assessment liens, and City bids of the City of Detroit for unpaid taxes and assessments, but deny that the amount of the same is $531.40 and aver the fact to be the amount of the same is $315.20 which includes interest and penalty to the date of the City bid but does not include interest and penalty to this date which in accordance with the charter of the City of Detroit must be added thereto to the date of payment. The remaining allegations therein contained with reference to Parcel 38, these defendants neither admit nor deny, not having sufficient information upon which to base an answer, therefore leave the plaintiff to its proofs thereof.

These defendants answering paragraph twenty, Parcel 39, admit that upon said parcel there are unpaid tax and assessment liens, and City bids of the City of Detroit for unpaid taxes and assessments, but deny that the amount of the same is $1,014.26 and aver the fact to be the amount of the same is $843.56 which includes interest and penalty to the date of the City bid but does not include interest and penalty to this date, which in accordance with the charter of the City of Detroit, must be added thereto to the date of payment. The remaining allegations therein contained with reference to Parcel 39, these defendants neither admit nor deny, not having sufficient information upon which to base an answer, therefore leave the plaintiff to its proofs thereof.

These defendants answering paragraph twenty, Parcels 40 and 41, admit that upon said parcels there are unpaid tax and assessment liens, and City bids of the City of Detroit for unpaid taxes and assessments, but deny that the amount of the same is $1,391.71 and aver the fact to be the amount of the same is $1,211.87 which includes interest and penalty to the date of the City bid but does not include interest and penalty to this date which in accordance with the charter of the City of Detroit must be added thereto to the date of payment. The remaining allegations therein contained with reference to Parcels 40 and 41, these defendants neither admit nor deny, not having sufficient information upon which to base an answer, therefore leave the plaintiff to its proofs thereof.

These defendants answering paragraph twenty, Parcel 42, admit that upon said parcel there are unpaid tax and assessment liens, and City bids of the City of Detroit for unpaid taxes and assessments, but deny that the amount of the same is $747.23 and aver the fact to be the amount of the same is $694.37 which includes interest and penalty to the date of the City bid but does not include interest and penalty to this date, which in accordance with the charter of the City of Detroit must be added thereto to the date of payment. The remaining allegations therein contained with reference to Parcel 42, these defendants neither admit nor deny, not having sufficient information upon which to base an answer, therefore leave the plaintiff to its proofs thereof.

These defendants answering paragraph twenty, Parcel 43, admit that upon said parcel there are unpaid tax and assessment liens, and City bids of the City of Detroit for unpaid taxes and assessments, but deny that the amount of the same is $325.13 and aver the fact to be the amount of the same is $283.27 which includes interest and penalty to the date of the City bid but does not include interest and penalty to this date, which in accordance with the charter of the City of Detroit, must be added thereto to the date of payment. The re-

maining allegations therein contained with reference to Parcel 43, these defendants neither admit nor deny, not having sufficient information upon which to base an answer, therefore leave the plaintiff to its proofs thereof.

These defendants answering paragraph twenty, Parcel 44, admit that upon said parcel there are unpaid tax and assessment liens, and City bids of the City of Detroit for unpaid taxes and assessments, but deny that the amount of the same is $738.42 and aver the fact to be the amount of the same is $645.29 which includes interest and penalty to the date of the City bid but does not include interest and penalty to this date, which in accordance with the charter of the City of Detroit, must be added thereto to the date of payment. The remaining allegations therein contained with reference to Parcel 44, these defendants neither admit nor deny, not having sufficient information upon which to base an answer, therefore leave the plaintiff to its proofs thereof.

These defendants answering paragraph twenty, Parcel 45, admit that upon said parcel there are unpaid tax and assessment liens, and City bids of the City of Detroit for unpaid taxes and assessments, but deny that the amount of the same is $423.24 and aver the fact to be the amount of the same is $456.93 which includes interest and penalty to the date of the City bid but does not include interest and penalty to this date, which in accordance with the charter of the City of Detroit, must be added thereto to the date of payment. The remaining allegations therein contained with reference to Parcel 45, these defendants neither admit nor deny, not having sufficient information upon which to base an answer, therefore leave the plaintiff to its proofs thereof.

These defendants answering paragraph twenty, Parcel 46, admit that upon said parcel there are unpaid tax and assessment liens and City bids of the City of Detroit for unpaid taxes and assessments, but deny that the amount of the same is $587.07 and aver the fact to be the amount of the same is

$480.11 which includes interest and penalty to the date of the City bid but does not include interest and penalty to this date which in accordance with the Charter of the City of Detroit must be added thereto to the date of payment. The remaining allegations therein contained with reference to Parcel 46 these defendants neither admit nor deny, not having sufficient information upon which to base an answer, and therefore leave the plaintiff to its proof thereof.

These defendants answering paragraph twenty, Parcel 47, neither admit nor deny the allegations therein contained, not having sufficient information upon which to base an answer, and therefore leave the plaintiff to its proof thereof.

These defendants answering paragraph twenty, Parcel 48, admit that upon said parcel there are unpaid tax and assessment liens and City bids of the City of Detroit for unpaid taxes and assessments, but deny that the amount of the same is $516.97 and aver the fact to be the amount of the same is $532.38 which includes interest and penalty to the date of the City bid but does not include interest and penalty to this date which in accordance with the Charter of the City of Detroit must be added thereto to the date of payment. The remaining allegations therein contained with reference to Parcel 48, these defendants neither admit nor deny, not having sufficient information upon which to base an answer, and therefore leave the plaintiff to its proof thereof.

These defendants answering paragraph twenty, Parcel 49, admit that upon said parcel there are unpaid tax and assessment liens and City bids of the City of Detroit for unpaid taxes and assessments, but deny that the amount of the same is $413.12 and aver the fact to be the amount of the same is $344.08 which includes interest and penalty to the date of the City bid but does not include interest and penalty to this date which in accordance with the Charter of the City of Detroit must be added thereto to the date of payment. The remaining allegations therein contained with reference to Par-

cel 49, these defendants neither admit nor deny, not having sufficient information upon which to base an answer, and therefore leave the plaintiff to its proof thereof.

These defendants answering paragraph twenty, Parcel 50, admit that upon said parcel there are unpaid tax and assessment liens and City bids of the City of Detroit for unpaid taxes and assessments, but deny that the amount of the same is $795.21 and aver the fact to be the amount of the same is $602.82 which includes interest and penalty to the date of the City bid but does not include interest and penalty to this date which in accordance with the Charter of the City of Detroit must be added thereto to the date of payment. The remaining allegations therein contained with reference to Parcel 50, these defendants neither admit nor deny, not having sufficient information upon which to base an answer, and therefore leave the plaintiff to its proof thereof.

XXI.

Answering paragraph twenty-one, on page 36 of the bill of complaint, designated as paragraph XIX, apparently should properly be paragraph XXI, these defendants deny the allegations therein contained, and aver the fact to be that the taxes and assessments levied by the City of Detroit upon the property described in the bill of complaint constitute first liens upon said property, in the same class with the taxes and assessments levied by the other units of Government within the State of Michigan, and prior, superior and paramount to any other claim upon said property whatsoever.

XXII.

Answering paragraph twenty-two, on page 36 of the bill of complaint, designated as paragraph XX, apparently should properly be paragraph XXII, these defendants neither admit nor deny the allegations therein contained, not having suffi-

cient information upon which to base an answer, therefore leave the plaintiff to its proofs thereof.

PRAYER FOR RELIEF

These defendants join in plaintiff's prayer that the Court determine the order and priority of liens upon said real estate, and deny that plaintiff is entitled to have its tax lien declared superior and request that this court declare the unpaid tax and assessment liens, and the City bids of the City of Detroit, first liens, and superior and paramount to the claim of the plaintiff for its inheritance taxes.

CITY OF DETROIT,
A Municipal Corporation.

By RAYMOND J. KELLY;
Corporation Counsel

And JOHN H. WITHERSPOON,
Asst. Corporation Counsel

CHARLES N. WILLIAMS,
Acting City Treasurer

Dated: Detroit, Michigan
May 27, 1936

Business Address:
301 City Hall
Detroit, Michigan
Phone: Cherry 9640.

STATE OF MICHIGAN
COUNTY OF WAYNE

SS:

JOHN H. WITHERSPOON, being duly sworn, deposes and says that he is an Assistant Corporation Counsel of the City of Detroit, Michigan, and as such is attorney for the

defendants, the City of Detroit, a municipal corporation, and that he is authorized to sign the names of the said defendant to the foregoing answer; that he has read the answer so subscribed by him and knows the contents thereof, and that the same is true of his own knowledge except as to those matters therein stated upon information and belief and as to those matters he believes the same to be true.

JOHN H. WITHERSPOON

Subscribed and sworn to before me
this 27th day of May, A.D. 1936.

GORDON N. MCKEE,
Notary Public, Wayne County, Mich.
My commission expires Feb. 1, 1938.

STATE OF MICHIGAN
COUNTY OF WAYNE
SS:

CHARLES N. WILLIAMS, being duly sworn, deposes and says that he is Acting City Treasurer in the absence of Albert E. Cobo, City Treasurer, and as such is authorized to sign in the stead of the said defendant Albert E. Cobo, City Treasurer, the foregoing answer; that he has read the answer so subscribed by him, and knows the contents thereof, and that the same is true of his own knowledge except as to those matters therein stated upon information and belief, and as to those matters he believes the same to be true.

CHARLES N. WILLIAMS

Subscribed and sworn to before me
this 27th day of May, A.D. 1936.

LUCILLE KLEIN,
Notary Public, Wayne County, Mich.
My commission expires Aug. 29, 1939.

ANSWER OF STATE OF MICHIGAN AND JOHN J. O'HARA, AUDITOR GENERAL FOR THE STATE OF MICHIGAN

(Filed June 2, 1936)

Now comes the State of Michigan and John J. O'Hara, Auditor General for the State of Michigan, by David H. Crowley, Attorney General, and T. Carl Holbrook, Assistant Attorney General, reserving unto themselves the right to more fully reply to the contentions and allegations set forth in the bill of complaint filed in this cause and for general answer to same, say:

I.

For answer to paragraphs 1 to 19, inclusive, of the plaintiff's bill of complaint, these defendants neither admit nor deny the allegations as therein set forth; and leave the plaintiff to its proof to be submitted upon the trial of said cause. The State of Michigan is interested only to the extent as may be shown upon the trial of this cause, and it does by this manner of pleading reserve unto itself any rights and defenses which may be necessary to employ during the progress of the disposition of the above cause.

That upon the termination of the merits of claims to and liens on the real estate as mentioned in said bill of complaint established in favor of the United States, that the interests and liens of the State of Michigan be singly preserved as against each and every description in said bill of complaint set forth.

DAVID H. CROWLEY,
Attorney General,

T. CARL HOLBROOK,
Assistant Attorney General.

Dated: May 28, 1936.

APPEARANCE OF JOHN W. PAUL, FREDERICK P. PAUL, RINEY F. PAUL, NETTIE B. PAUL AND AMELIA L. PAUL

(Filed January 29, 1937)

TO THE CLERK OF SAID COURT:

Please enter the appearance of John W. Paul, Frederick P. Paul, Riney F. Paul, Nettie B. Paul and Amelia L. Paul, defendants in the above entitled cause, by me as their attorney.

CHARLES A. LORENZO,
Attorney for Defendants,
John W. Paul, Frederick P. Paul,
Riney F. Paul, Nettie B. Paul and
Amelia L. Paul.

TO:

JOHN C. LEHR,
U.S. District Attorney,
Detroit, Michigan.

TAKE NOTICE that I have this day caused the appearance to be entered of defendants, John W. Paul, Frederick P. Paul, Riney F. Paul, Nettie B. Paul and Amelia L. Paul, by me as their attorney, and demand is hereby made for a copy of the Declaration and all pleadings in the cause.
Dated January 28th, 1937.

CHARLES A. LORENZO,
Attorney for Defendants,
John W. Paul, Frederick P. Paul,
Riney F. Paul, Nettie B. Paul and
Amelia L. Paul.

Business address:
715-18 Majestic Bldg.,
Detroit, Michigan,
CAdillac 1220.

APPEARANCE OF RUBY H. PAUL

(Filed April 30, 1937)

TO THE CLERK OF SAID COURT:

Please enter the appearance of Ruby H. Paul, defendant in the above entitled cause, by me as her attorney.

CHARLES A. LORENZO,
Attorney for Defendant,
Ruby H. Paul.

TO:

JOHN C. LEHR,
U.S. District Attorney,
Detroit, Michigan.

TAKE NOTICE that I have this day caused the appearance to be entered of defendant, Ruby H. Paul, by me as her attorney, and demand is hereby made for a copy of the Declaration and all pleadings in the cause.
Dated: April 27th, 1937.

CHARLES A. LORENZO,
Attorney for Defendant,
Ruby H. Paul.

Business address:
715-18 Majestic Bldg.,
Detroit, Michigan,
CAdillac 1220.

ANSWER OF JOHN W. PAUL, FREDERICK P. PAUL and RUBY H. PAUL, his wife, NETTIE B. PAUL, RINEY F. PAUL and AMELIA L. PAUL, DEFENDANTS.

(Filed August 31, 1937)

Now come the above named defendants, by their attorney, Charles A. Lorenzo, and, reserving all manner of right to object to the many inconsistencies and defects in the Bill of Complaint contained, and for answer thereto, severally say:

I.

Paragraph I is admitted.

II.

Answering paragraph II of the Bill of Complaint, these defendants admit that they are inhabitants of and reside within the jurisdiction stated and admit they have interests in the premises, but as to all other allegations therein contained, as concerns other persons mentioned, these defendants, for lack of direct knowledge, neither admit nor deny the same and leave plaintiff to its proofs.

III.

Paragraph III is admitted.

IV.

Answering paragraph IV, these defendants, for lack of direct knowledge, neither admit nor deny the same and leave plaintiff to its proofs.

V.

Paragraph V is admitted.

VI.

Paragraph VI is admitted.

VII.

Answering paragraph VII, these defendants say that they are informed and believe and, therefore, charge the fact to be,

that at the time of the death of their ancestor, John P. Paul, he held no property in his own name, but all thereof was entirety property.

VIII.

Answering paragraph VIII, these defendants charge that they are not sufficiently informed of the details therein stated and, therefore, neither admit nor deny the same and leave plaintiff to its proofs.

IX.

Answering paragraph IX of the Bill of Complaint, these defendants, for lack of direct knowledge, neither admit nor deny the same and leave plaintiff to its proofs.

X.

On information and belief, defendants admit paragraph X.

XI.

Answering paragraph XI, these defendants, for lack of direct knowledge, neither admit nor deny the same and leave plaintiff to its proofs, excepting it is their understanding from information that such was done.

XII.

Paragraph XII is admitted on information and belief.

XIII.

Answering paragraph XIII, these defendants, for lack of direct knowledge, neither admit nor deny the same and leave plaintiff to its proofs.

XIV.

Answering paragraph XIV, these defendants, for lack of direct knowledge, neither admit nor deny the same and leave plaintiff to its proofs, excepting that they were informed some time ago by representatives of plaintiff that such a claim was being asserted.

XV.

Answering paragraph XV, these defendants have no recollection of being served as therein stated, but acknowledge that the Detroit Savings Bank some time ago notified some of these defendants of plaintiff's claim.

XVI.

Answering paragraph XVI, these defendants admit that they have not paid plaintiff any moneys on its claim; deny that plaintiff has any valid or legal claim as asserted.

XVII.

Answering paragraph XVII, these defendants deny that a lien in favor of plaintiff existed or attached as therein charged, and deny that plaintiff has any legal or valid claim whatsoever.

XVIII.

Answering paragraph XVIII, these defendants deny that the premises therein described are subject to the lien asserted by plaintiff.

XIX.

Paragraph XIX is admitted.

XX.

Answering paragraph XX, these defendants admit the allegations therein contained as concerns their identification with the various properties described, and that Ernest H. King is acting as Receiver of the parcels designated in Wayne Circuit Court Chancery cause No. 241,203, and as to the other allegations, for lack of direct knowledge thereof, the same are neither admitted nor denied and leave plaintiff to its proofs.

XIX.

Answering paragraph numbered XIX on page 36 of the Bill of Complaint, these defendants deny plaintiff has any valid or legal claim or lien against the properties.

XX.

Answering paragraph numbered XX on page 36 of the Bill of Complaint, these defendants admit that if plaintiff had a valid and legal claim as asserted, that the within proceedings would be proper.

And, for further answer to the matters and things charged in the within Bill of Complaint, these defendants say:

A. That from the time they were in their teens, as well as at and after they reached their majorities, their within named ancestors, John P. Paul and Lena Paul, agreed with them that if they would devote their time and efforts in the handling of the various properties acquired and to be acquired from time to time, that the ownership thereof would in fact belong to all of the surviving members of the family, equally, notwithstanding the titles would be carried and held in the names of their parents, and in doing such it was recognized as being only for convenience in the handling, acquiring and disposing of the properties, and accordingly, these defendants, who are children, devoted their entire time and attention to the handling and looking after of the property acquired by their parents from time to time, without the compensation that ordinarily their parents would have been obliged to pay out, and by the many years of close application and attention to the family business of developing these properties, they materially added to the values and the numbers.

B. In the performance of their part of the program, these defendants made many sacrifices of a social and financial nature, and on the death of their parents, were equitably and otherwise entitled to be considered actual owners and in the nature of bona fide purchasers of any and all properties and assets then existing and, if it be considered that their paternal ancestor was seized of any estate subject to a tax by plaintiff, that, therefore, legally and equitably, the amount thereof should be in recognition of the several rights of these defendants.

C. These defendants further charge that, legally and equitably, the holdings of the titles to the various properties mentioned in the bill of Complaint by the aforementioned ancestors of these defendants was in fact legally and equitably a holding in trust for the benefit of the ancestors and the surviving children, and the conveyances so received by these defendants was in recognition of such trust and in performance of the family agreement aforementioned, whereby at the time of the death of John P. Paul, the father of these defendants, these defendants, with their mother, were the real owners of the parcels and the said conveyances by the maternal ancestor conveyed in fact only her share of the ownership.

D. That after the death of the father of these defendants, they continued to devote their time and attention to the properties and in every manner performed and discharged their duties and obligations with respect thereto in manner done in the past; and that failure of plaintiff to assert a claim, as now attempted, misled them into the feeling that their rights and interest were and would remain intact, and induced them to continue the performance of their services on the feeling of security that no such claim was outstanding or existed and, therefor, the delay of plaintiff in making an assertion as provided by law constitutes laches, attributable to plaintiff, and to be enforced at this late date will result in an unfair, inequitable and unconscionable advantage to plaintiff.

E. If a tax was assertable by plaintiff, the amount thereof was determined and fixed by it with possession of all facts and available records, both public and private, and having made its determination and received payment of the sum demanded, it is guilty of gross laches in failing and neglecting to utilize available knowledge, and its conduct constitutes an election, waiver, release, cancellation and abandonment of further claim as well as gross laches and equitable bar.

F. If plaintiff possessed an enforceable right, as charged in the Bill of Complaint, it has become lost by the lapse of time

and failure to enforce diligently, and is barred by the statutes of limitation.

Defendants pray that Plaintiff's Bill of Complaint be dismissed with costs.

CHARLES A. LORENZO
Attorney for said Defendants,
715-18 Majestic Building,
Detroit, Michigan.

APPEARANCE OF COUNTY OF WAYNE AND JACOB P. SUMERACKI, TREASURER FOR WAYNE COUNTY

(Filed June 27, 1938)

TO THE CLERK OF THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION, IN EQUITY:

Please enter the appearance of DUNCAN C. McCREA, PROSECUTING ATTORNEY FOR WAYNE COUNTY, and GARFIELD A. NICHOLS, ASSISTANT PROSECUTING ATTORNEY, for and in behalf of the COUNTY OF WAYNE, a public body corporate, and JACOB P. SUMERACKI, Treasurer for Wayne County, two of the defendants in the above entitled cause.

DUNCAN C. McCREA,
Prosecuting Attorney,
By GARFIELD A. NICHOLS,
Assistant Prosecuting Attorney.

508 County Bldg.
Detroit, Michigan.
To: JOHN C. LEHR,
U.S. DISTRICT ATTORNEY:

Please take notice that the undersigned have this day entered their appearance for and in behalf of the COUNTY OF WAYNE, a public body corporate, and JACOB P. SUMERACKI, Treasurer for Wayne County, defendants in the above entitled cause.

DUNCAN C. McCREA,
Prosecuting Attorney,
By GARFIELD A. NICHOLS,
Assistant Prosecuting Attorney.

June 24, 1938

ANSWER OF COUNTY OF WAYNE AND JACOB P. SUMERACKI, TREASURER FOR WAYNE COUNTY

(Filed July 6, 1938)

Now come the COUNTY OF WAYNE, a public body corporate, and JACOB P. SUMERACKI, Treasurer for Wayne County, by DUNCAN C. McCREA, PROSECUTING ATTORNEY FOR WAYNE COUNTY, and Garfield A. Nichols, Assistant Prosecuting Attorney, and for answer to the Bill of Complaint filed in said cause, say as follows:

For answer to paragraphs one to nineteen inclusive of plaintiff's bill of complaint, these defendants neither admit nor deny the allegations as therein set forth, and leave plaintiff to its proof to be submitted upon the trial of said cause.

The County of Wayne, a public body corporate, and Jacob P. Sumeracki, Treasurer for Wayne County, are interested only to the extent as may be shown upon the trial of this cause, and do by this manner of pleading reserve unto themselves any rights and defenses which may be necessary to employ during the progress of the disposition of the above cause.

WHEREFORE these defendants pray that upon the termination of the merits of claims to and liens on the real estate as mentioned in said bill of complaint established in favor of the United States, that the interests and liens of the defendants herein be singly preserved as against each and every description in said bill of complaint set forth.

DUNCAN C. McCREA,
Prosecuting Attorney, Wayne County,

GARFIELD A. NICHOLS,
Assistant Prosecuting Attorney.

UNITED STATES OF AMERICA
EASTERN DISTRICT OF MICHIGAN } SS:

GARFIELD A. NICHOLS, being first duly sworn, deposes and says:

That he is an Assistant Prosecuting Attorney under DUNCAN C. McCREA, PROSECUTING ATTORNEY FOR WAYNE COUNTY, and is authorized to make this affidavit on behalf of the defendants herein; that he makes this affidavit on their behalf, and that upon information and belief the facts set forth in the above answer he believes to be true.

GARFIELD A. NICHOLS.

Sworn to and subscribed before me
this 6th day of July, A.D. 1938.

RUSSELL C. DUNCAN,
Notary Public, Wayne County, Mich.
My commission expires Aug. 31, 1941.

STIPULATION OF FACTS

(Filed July 19, 1938).

It is hereby stipulated and agreed by and between the parties to this cause, by their respective attorneys, that the following facts may be accepted as true to the same extent as if fully developed by the evidence at trial.

1. That this is a civil suit, in equity, seeking the foreclosure of a Federal estate tax lien arising under the laws of the United States, providing for internal revenue and the collection thereof.

2. That the plaintiff is a corporation sovereign and body politic.

3. That at all times hereinafter mentioned John W. Paul, Frederick P. Paul and Ruby H. Paul, his wife, Nettie B. Paul, Riney T. Paul and Jessie B. Paul, his wife, Amelia L. Paul, Florence H. Paul, T. Paul Hickey, Howard J. Ely, Guardian of Julia Blanche Hickey, E. B. Finley, Jr., M. E. Bowlus and E. A. Edwards, Liquidating Trustees under Declaration of Trust recorded in Wayne County, in Liber 4166 of Deeds, page 305, Ernest H. King, Receiver in that certain cause listed as No. 241,203 in Chancery, in the Circuit Court for the County of Wayne, and B. C. Schram, Receiver of First National Bank-Detroit, a National Banking Association, were and now are citizens of the United States and of the State of Michigan, and are inhabitants of the Eastern Judi- reside in the City of Detroit, County of Wayne, State of Michigan, and within the jurisdiction of this court; that at all times hereinafter mentioned Mary Emily Wiltsie Field, administratrix of Estate of Charles H. Wiltsie, was and now is a citizen of the United States and an inhabitant of the State of New York, and resides in the City of Rochester, New York; that at all times hereinafter mentioned M. Fuast was and now is a citizen of the United States and an inhabitant of the State of Ohio, and resides in the City of Cleveland,

Ohio; that at all times hereinafter mentioned the Union Guardian Trust Company, a Michigan corporation, the Union Investment Company, a Michigan corporation, and the Detroit Trust Company, a Michigan corporation, are corporations duly organized and existing under and by virtue of the laws of the State of Michigan, having their principal place of business in the City of Detroit, State of Michigan, and within the Eastern Judicial District of Michigan, Southern Division thereof; that at all times hereinafter mentioned the Detroit Bank, formerly the Detroit Savings Bank, a Michigan Banking Corporation, was and now is a corporation duly organized and existing under and by virtue of the laws of the State of Michigan, having its principal place of business in the City of Detroit, State of Michigan, and within the Eastern Judicial District of Michigan, Southern Division thereof; that at all times hereinafter mentioned the State of Michigan was and now is a sovereign state; that at all times hereinafter mentioned the County of Wayne was and now is a public Body Corporate, within the State of Michigan and within the Eastern Judicial District of Michigan, Southern Division thereof; that at all times hereinafter mentioned the City of Detroit was and now is a Municipal Corporation, within the State of Michigan and within the Eastern Judicial District of Michigan, Southern Division thereof; that at all times hereinafter mentioned John J. O'Hara, Auditor General for the State of Michigan, was and now is a citizen of the United States and of the State of Michigan, and resides in the City of Lansing, Michigan, and within the Eastern Judicial District of Michigan, Southern Division thereof; that at all times hereinafter mentioned Albert E. Cobo, Treasurer of the City of Detroit, was and now is a citizen of the United States and of the State of Michigan, and resides in the City of Detroit, Michigan, and within the Eastern Judicial District of Michigan, Southern Division thereof; that at all times hereinafter mentioned Jacob P.

Sumeracki, Treasurer of Wayne County, was and now is a citizen of the United States and of the State of Michigan, and resides in the City of Detroit, Michigan, and within the Eastern Judicial District of Michigan, Southern Division thereof; that at all times hereinafter mentioned the City of Highland Park was and now is a Municipal Corporation within the State of Michigan and within the Eastern Judicial District of Michigan, Southern Division thereof; that at all times hereinafter mentioned Robert Smith, Treasurer of the City of Highland Park, was and now is a citizen of the United States and of the State of Michigan, and resides in the City of Highland Park, Michigan, and within the Eastern Judicial District of Michigan, Southern Division thereof.

4. That this action was instituted by the direction of the Commissioner of Internal Revenue and is authorized and sanctioned by the Attorney General of the United States.

5. That John P. Paul, a resident of the City of Detroit, Wayne County, Michigan, died intestate on May 5, 1926, leaving heirs as follows: Lena Paul, his widow, and John W. Paul, Frederick P. Paul, Nettie B. Paul, Riney T. Paul, Amelia L. Paul and Charles P. Paul, his children.

6. That Lena Paul, widow of said John P. Paul, died intestate on February 18, 1931; that Charles P. Paul died prior to the institution of this suit, leaving no children, and that the defendant Florence H. Paul, his wife and sole heir, was appointed administratrix of the estate of Charles P. Paul by the Probate Court of Wayne County, Michigan, on the 16th day of December, 1931.

7. That on or about July 5, 1927, Lena Paul, describing herself as "'widow of John P. Paul and joint owner with him of all his properties," executed and filed in the office of the Collector of Internal Revenue a Federal estate tax return for the estate of said John P. Paul, deceased, reporting a gross estate of $492,902.00, deductions of $329,823.49, a

net estate of $164,078.51, and a tax liability of $3,450.00, which was duly paid.

8. That the Commissioner of Internal Revenue notified said Lena Paul by letter dated March 14, 1930, addressed to "'Lena Paul, beneficiary, Estate of John P. Paul", of a proposed deficiency in estate tax in the sum of $23,271.84, and advised her of her right to file an appeal with the United States Board of Tax Appeals.

9. That on or about May 10, 1930, an appeal entitled "Appeal of Estate of John P. Paul, Lena Paul, beneficiary, Docket No. 48933" was filed with the United States Board of Tax Appeals.

10. That on November 4, 1932 said United States Board of Tax Appeals entered an order in connection with the appeal of the Estate of John P. Paul, determining that there was an estate tax deficiency due plaintiff in the sum of $23,271.84.

11. That no proceedings were had or appeal taken from said order of the Board of Tax Appeals entered on November 4, 1932, determining the Federal estate tax liability of said estate of John P. Paul, deceased.

12. That in accordance with the applicable provisions of revenue laws of the United States, interest on said deficiency of $23,271.84 due from the Estate of John P. Paul, deceased, accrued at the rate of six per cent (6%) per annum from May 5, 1927 to February 19, 1933; and that said interest on the deficiency to February 19, 1933 amounted to $8,080.28.

13. That on February 19, 1933, the Commissioner of Internal Revenue duly assessed against the Estate of John P. Paul, deceased, said deficiency in the principal amount of $23,271.84 on account of said estate tax liability as finally determined by the United States Board of Tax Appeals, together with interest on said deficiency in the sum of $8,080.28.

14. That no part of said tax deficiency or interest has been paid.

15. That at the time of the death of John P. Paul he, together with his wife, Lena Paul, owned and held legal title to a tenancy by the entirety in all the parcels of real estate described in the bill of complaint, except parcels numbered 2a, 4, 21, 25, 35, 36, and parcels 40 to 47 inclusive, as numbered in the bill of complaint.

16. That at the time of the death of John P. Paul he, together with his wife, Lena Paul, owned and held land contracts covering parcels numbered 2a, 4, 21, 25, 35, and 36, as numbered in the bill of complaint. These parcels were listed as part of the gross estate of John P. Paul in the Federal Estate Tax return filed by Lena Paul. Deeds to each of these parcels, except parcel No. 36, were later delivered by the vendors in the contract to Lena Paul, the widow, or to certain of the children of John P. Paul, in accordance with the terms of the contract.

17. That the land contract covering parcel 36 as numbered in the bill of complaint is now held by the Paul heirs. There remains a balance of $1,900.00 on the purchase price due to Harry E. Barnard, the vendor.

18. That parcels numbered 40 to 47 inclusive, as numbered in the bill of complaint, were conveyed by John P. Paul and Lena Paul, his wife, to certain of their children within two years before the date of the death of John P. Paul. These parcels were treated by the Commissioner of Internal Revenue as part of the gross estate of John P. Paul, as property conveyed in contemplation of death. Said conveyances were made on the dates and in the manner hereinafter described:

Parcels 40, 41, 42, 43, and 44 were conveyed by John P. Paul and Lena Paul, his wife, to Nettie Paul, unmarried, by warranty Deed dated June 22, 1925.

Parcel 45 was conveyed by John P. Paul and Lena Paul, his wife, to Amelia L. Paul, single, by Warranty Deed dated July 10, 1925 and recorded October 20, 1925.

Parcel 46 was conveyed by John P. Paul to Amelia L. Paul by Warranty Deed dated May 1, 1925 and recorded June 16, 1925.

Parcel 47 was conveyed by John P. Paul and Lena Paul, his wife, to Nettie B. Paul by Warranty Deed dated October 5, 1925 and recorded June 4, 1926.

19. On February 13, 1931 Lena Paul, widow of John P. Paul, executed an instrument granting to John W. Paul, Frederick P. Paul, Nettie B. Paul, Riney F. Paul, Amelia L. Paul, and Charles P. Paul, children of John P. Paul, all her right, title and interest in any and all real estate standing in her name or in which she had any interest by purchase, inheritance, right of succession or otherwise, located and being in the County of Wayne and State of Michigan (except the homestead property known as 207 King Avenue, Detroit, Michigan). This instrument was recorded on June 20, 1931 in Liber 3613 of Deeds, on page 291, in the office of the Register of Deeds for Wayne County, Michigan. A certified copy of said instrument is attached hereto and marked "Joint Exhibit A". On the same date, February 13, 1931, Lena Paul, widow of John P. Paul, executed a deed conveying the homestead property located at 207 King Avenue, Detroit, Michigan, hereinafter referred to in Parcel 19, as numbered in the Bill of Complaint, to John W. Paul and Nettie B. Paul, present record owners of the property. Said deed was recorded on September 28, 1933 in Liber 4012 of Deeds, on page 173, in the office of the Register of Deeds for Wayne County, Michigan. A certified copy of said instrument is attached hereto and marked "Joint Exhibit B".

20. That by virtue of mesne conveyances between the Paul children, by Quit Claim deeds dated September 27, 1933 and

April 12, 1934, record title to parcels numbered 2a, 3, 5, 6, 8, 12, 14, 15, 16, 17, 21, 22, 23, 24, 26, 27, 28, 29, 30, 32, 33, 34, 35, 37, 39, 42, 43, 44, 45, 47, 48, 49, and 50, as numbered in the bill of complaint, is now held by Frederick H. Paul and Ruby, his wife, as joint tenants.

21. That by virtue of mesne conveyances between the Paul children by Quit Claim deeds dated September 27, 1933, record title to parcels numbered 4, 9, 10, 11, 18, 20, 21 and 38, as numbered in the bill of complaint, is now held by John W. Paul, single, and Nettie B. Paul, unmarried.

22. The parcels of real estate numbered 2a, 3, 5, 6, 12, 13, 14, 15, 16, 17, 21, 22, 24, 25, 26, 27, 28, 30, 33, 37, 39, 45, 46, 48 and 49 in the bill of complaint are not mortgaged or otherwise encumbered, except for Federal, state, county and city taxes as hereinafter stated. The mortgage on parcel number 45, alleged in the bill of complaint to have been made to the Union Investment Company for $3,000.00 on August 18, 1934 and recorded on August 30, 1934 in Liber 2747, at page 609 of Wayne County records, was discharged on March longer has any interest in this property and is subject to no liability for costs or otherwise, to the plaintiff or to the other parties to this cause, arising out of this controversy.

23. The following parcels of real estate, as numbered in the bill of complaint, were mortgaged before the death of John P. Paul, in the amounts and on the dates hereinafter stated.

Parcel 9 was mortgaged to the Detroit Bank for $35,000.00 on September 22, 1924, said mortgage being recorded September 23, 1924 in Liber 1371, page 118, of Mortgages, Wayne County records. This mortgage was foreclosed and sold by Sheriff's deed dated May 18, 1934. It was bid in by the Detroit Bank for $51,298.68. The total amount due at that date, including principal, interest, and advances made by the mortgagee was $51,298.68. Under the Michigan Moratorium Law the equity of redemption under this foreclosure

has been extended to November 1, 1938 and the parcel is now being held and operated by Ernest H. King, receiver. At the time of the sale the principal amount due was $17,446.00. Taxes for years subsequent to 1929, advanced by the Detroit Bank before the Sheriff's sale, totalled $29,963.54. The Detroit Bank has received no payments from the receiver.

Parcel 18 was mortgaged on June 8, 1923 to Edward H. Rogers for the sum of $10,000.00, said mortgage being recorded June 9, 1923 in Liber 1210, page 412 of Mortgages, Wayne County records. The principal amount due under this mortgage is $10,000.00, together with interest from July 1, 1932.

Parcel 19 was mortgaged to George S. Hickey for $12,000.00 on March 1, 1920, by a mortgage recorded March 15, 1920 in Liber 970 of Mortgages, page 360, Wayne County records. This mortgage is now owned by T. Paul Hickey and Julia Blanche Hickey by her guardian, Howard J. Ely, heirs at law of George S. Hickey, deceased. The present amount due under said mortgage is $12,000.00, together with unpaid interest of $1,915.00 to July 1, 1938.

Parcel 20 was mortgaged to the Detroit Bank on April 24, 1920, by mortgage recorded May 4, 1920 in Liber 986, page 400 of Mortgages, Wayne County records. The mortgage was foreclosed and sold by Sheriff's deed, dated May 18, 1934, and was bid in by the Detroit Bank for $1,791.74, the total amount due at that time, including principal, interest, and advances made by the mortgagee. Under the Michigan Moratorium Law the equity of redemption under this foreclosure has been extended to November 1, 1938 and the parcel is now being held and operated by Ernest H. King, receiver. At the time of the sale the principal amount due was $810.20. Taxes for years subsequent to 1929, advanced by the Detroit Bank before the Sheriff's sale, totalled $916.59. The Detroit Bank has received no payments from the receiver.

Parcel 23 is subject to a mortgage of $6.000.00, made to E. C. Childes of Windsor, Ontario. The present amount due under this mortgage is $6,000.00 principal, together with interest from January 1, 1932.

Parcel 29 was mortgaged to the Detroit Trust Company on November 6, 1907, in the amount of $2,000.00, by mortgage recorded November 7, 1907 in Liber 502, page 204 of Mortgages, Wayne County records. The present amount due under this mortgage is $2,000.00 principal, together with interest from November 1, 1935.

Parcel 24 was mortgaged to the Union Trust Company on December 1, 1923 in the amount of $6,000.00, by mortgage recorded December 4, 1923 in Liber 1305, page 180 of Mortgages, Wayne County records. This mortgage is now held by E. B. Finley, Jr., M. E. Bowlus and E. A. Edwards, liquidating trustees under declaration of trust recorded in Wayne County in Liber 4166 of Deeds, page 305. At present the amount due under this mortgage is $3,962.30, together with interest from May 1, 1938.

Parcel 35 was mortgaged to Peoples Wayne County Bank on April 16, 1925, in the amount of $4,500.00, by mortgage recorded April 17, 1925 in Liber 1478, page 64 of Mortgages, Wayne County records. This mortgage was foreclosed and the property bid in by B. C. Schram, the then holder of the mortgage, and sold by Sheriff's deed dated July 14, 1937. At the time of the sale the total amount due under this mortgage was $2,808.33.

Parcels 40, 41, 42 and 43 were mortgaged to the Detroit Trust Company on July 29, 1903, in the amount of $14,350.00, by mortgage recorded July 31, 1903 in Liber 441, page 345 of Mortgages, Wayne County records. The present amount due under said mortgage is $14,275,65, together with interest from July 1, 1935.

Parcel 44 was mortgaged to the Detroit Trust Company by mortgage dated November 6, 1907, in the amount of

$1,000.00, by mortgage recorded November 7, 1907 in Liber 502, page 202. The present amount due under this mortgage is $1,000.00 principal, together with interest from November 1, 1935.

24. The following parcels of real estate, as numbered in the bill of complaint, are subject to mortgages executed by Lena Paul, widow of John P. Paul and surviving tenant by the entirety, or by the Paul children, after the death of John P. Paul, in the amounts and on the dates hereinafter described. The mortgages made to the Detroit Bank, as hereinafter described, were foreclosed by advertisement and sold at Sheriff's sale on May 18, 1934. The properties were bid in by the Detroit Bank for the total amount of indebtedness then due, including principal, interest and advances made by mortgagee. Upon application of the equity owners the equity of redemption under these foreclosures has been extended, under the Michigan Moratorium Law, to November 1, 1938 and Ernest H. King was appointed receiver of the properties until that date. The receiver has made no payments to the Detroit Bank since his appointment.

Parcel 1 was mortgaged to the Detroit Bank in the Amount of $20,000.00 on July 23, 1930, by mortgage recorded July 25, 1930 in Liber 2506, page 207 of Mortgages, Wayne County records. The total amount bid at the Sheriff's sale was $35,555.79. At the time of sale the principal amount due was $18,935.50. Taxes for years subsequent to 1929, advanced by the Detroit Bank before the Sheriff's sale, totalled $13,089.35. The Detroit Bank also advanced $84.00 for insurance.

Parcel 2 was mortgaged to the Detroit Bank on February 8, 1927, in the amount of $18,000.00, by mortgage recorded February 15, 1927 in Liber 1898, page 1 of Mortgages, Wayne County records. The total amount bid at the Sheriff's sale was $16,793.77, the total amount due at that time, including principal, interest, and advances made by the mortgagee. At the time of sale the principal amount due was $11,570.79.

Taxes for years subsequent to 1929, advanced by the Detroit Bank before the Sheriff's sale, totalled $3,204.79. The Detroit Bank also advanced $20.50 for insurance.

Parcel 4 was mortgaged on October 9, 1926 to the Detroit Bank in the amount of $20,000.00, by mortgage recorded in Liber 1927, page 387 of Mortgages, Wayne County records. The total amount bid at the Sheriff's sale was $20,875.23, the total amount due at that time, including principal, interest and advances made by the mortgagee. At the time of the sale the principal amount due was $15,129.20. Taxes for years subsequent to 1929, advanced by the Detroit Bank before the Sheriff's sale, totalled $3,404.95. The Detroit Bank also advanced $34.00 for insurance. Legal title to this parcel was never held by John P. Paul, who had only a contract right at the time of his death. Legal title was conveyed to Lena Paul on September 21, 1926.

Parcel 7 was mortgaged to the Detroit Bank on October 8, 1927 in the amount of $15,000.00, by mortgage recorded November 7, 1927 in Liber 2041, page 136 of Mortgages, Wayne County records. The total amount bid at the Sheriff's sale was $15,258.88. At the time of sale the principal amount due was $12,913.45. Taxes for years subsequent to 1929, advanced by the Detroit Bank before the Sheriff's sale, totalled $341.28.

Parcel 8 was mortgaged to the Detroit Bank on June 22, 1931 in the amount of $28,000.00, by mortgage recorded June 30, 1931 in Liber 2601, page 272 of Mortgages, Wayne County records. The total amount bid at the Sheriff's sale was $37,288.36. At the time of sale the principal amount due was $28,000.00. Taxes for years subsequent to 1929, advanced by the Detroit Bank before the Sheriff's sale, totalled $4,235.58. The Detroit Bank also advanced $198.30 for other items.

Parcel 10 was mortgaged to the Detroit Bank on October 8, 1927 in the amount of $25,000.00 by mortgage recorded October 12, 1927 in Liber 2027, page 356 of Mortgages, Wayne

County records. The total amount bid at the Sheriff's sale was $27,064.61. At the time of sale the principal amount due was $21,405.61. Taxes for years subsequent to 1929, advanced by the Detroit Bank before the Sheriff's sale, totalled $2,213.06.

Parcel 11 was mortgaged to the Detroit Bank on August 1, 1929 in the amount of $18,000.00, by mortgage recorded August 5, 1929 in Liber 2363, page 440 of Mortgages, Wayne County records. The total amount bid at the Sheriff's sale was $20,324.05. At the time of sale the principal amount due was $14,436.30. Taxes for years subsequent to 1929, advanced by the Detroit Bank before the Sheriff's sale, totalled $3,348.86.

Parcel 31 was mortgaged to the Detroit Bank in the amount of $13,400.00 on July 11, 1928, by mortgage recorded July 16, 1928 in Liber 2171, page 528 of Mortgages, Wayne County records. The total amount bid at the Sheriff's sale was $14,257.34. At the time of sale the principal amount due was $10,842.70. Taxes for years subsequent to 1929, advanced by the Detroit Bank before the Sheriff's sale, totalled $1,590.41.

Parcel 32 was mortgaged to the Detroit Bank on July 11, 1928, in the amount of $9,000.00, by mortgage recorded July 16, 1928 in Liber 2171, page 525 of Mortgages, Wayne County records. The total amount bid at the Sheriff's sale was $9,467.99. At the time of sale the principal amount due was $7,317.70. Taxes for years subsequent to 1929, advanced by the Detroit Bank before the Sheriff's sale, totalled $944.87.

Parcel 38 was mortgaged to the Detroit Bank on July 16, 1928 in the amount of $12,500.00, by mortgage recorded July 19, 1928 in Liber 2174, page 76 of Mortgages, Wayne County records. The total amount bid at the Sheriff's sale was $13,220.43. At the time of sale the principal amount due was $10,121.70. Taxes for years subsequent to 1929, advanced by the Detroit Bank before the Sheriff's sale, totalled $1,434.08.

Parcel 47 was mortgaged to Peninsular State Bank on July 30, 1929, in the amount of $5,000.00, by mortgage recorded July 31, 1929 in Liber 2360, page 435 of Mortgages, Wayne County records. This mortgage was assigned to the First National Bank-Detroit and was foreclosed on March 20, 1936 and bid in by the First National Bank-Detroit for the sum of $4,400.00. There was due at the time, on account of the mortgage, $5,272.97. The Sheriff's deed is now held by B. C. Schram, Receiver of the First National Bank-Detroit.

Parcel 50 was mortgaged to Security Trust Company on October 12, 1926, in the amount of $2,500.00, by mortgage recorded October 14, 1926 in Liber 1828, page 429 of Mortgages, Wayne County records. This mortgage is now in the hands of the Detroit Trust Company and the present amount due thereunder is $1,937.50, together with interest thereon from November 2, 1935.

25. The Estate of John P. Paul was not probated and there are no assets other than the above mentioned parcels of real estate, from which the Federal estate tax in question can be collected.

26. The unpaid state, county and city taxes and assessments assessed against the above mentioned parcels are set forth in schedules attached hereto and marked "Exhibit C".

27. Tax certificates for city taxes for the year 1930 are owned and held by the defendant Mary Emily Wiltsie Field. The face amounts of the outstanding certificates are shown on supplementary stipulation attached hereto and marked "Exhibit D".

Any party hereto may submit evidence at the time of the hearing of this cause not inconsistent with the facts hereinabove stipulated. Any party may object to the materiality of any of the facts hereinabove stipulated.

CHARLES A. LORENZO,
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HENRY and EDWARD WUNSCH,
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ROBERT S. MARX, LAWRENCE I. LEVY, C. WILLARD GITZEN
Attorney for B. C. Schram, Receiver First National Bank, Detroit.

WENDEL BROWN,
Attorney for E. B. Finley, M. E. Bowlus and E. A. Edwards, Liquidating Trustees & Harvey C. Emery, Successor trustee.

BUTZEL, LEVIN & WINSTON,
Attorney for Union Investment Co. as to allegations in P. 22 relating to client.

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By WILLIAM F. CONNOLLY, JR., Asst. Attorney General,
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DUNCAN C. McCREA, Pros. Attorney
By GARFIELD A. NICHOLS, Asst. Pros. Attorney,
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JOHN H. WITHERSPOON,
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EARL B. YOUNG,
City Attorney for City of Highland Park.

JOHN C. LEHR,
Attorney for Plaintiff, United States of America.

WOOD & JACQUEMAIN,
Attorney for Mary Emily Wiltsie Field.

Dated: July 19, 1938.

EXHIBIT C

The following schedules reflect the principal amount of unpaid taxes and assessments assessed against the parcels of real estate described in the bill of complaint, due to the State of Michigan, the County of Wayne, the City of Detroit, and the City of Highland Park.

Except as otherwise indicated below, taxes for the years 1930 to 1935 inclusive, due to the State of Michigan and the County of Wayne, were bid in by the State of Michigan on May 3, 1938. The amount of the bid shown below bears interest at 1% per month until paid. Taxes for the years 1936 and 1937, due to the State of Michigan and the County of Wayne, bear interest at ¾% per month from March 1st of the year following the year, in addition to a 4% flat collection fee imposed after January 1st of the year following the taxable year.

Except as otherwise indicated below, taxes for all years (including 1937) due to the City of Detroit have been bid in by

the City on June 1st of the year following the taxable year. The amount of the City bid as shown below bears interest at the rate of 8% per annum. All unpaid special assessments were bid in by the City of Detroit and the amount of the City bid, as shown below, bears interest at the rate of 10% per annum from the date of the City bid.

Taxes due to the City of Highland Park and the School District of Highland Park are subject to a charge of 1% per month from August 15th to March 1st of the year following the taxable year. On March 1st the unpaid tax, plus accrued charges of 1% per month, are returned to the County Treasurer. Thereafter the composite amount of city and school taxes, together with the charges, bear interest at the same rate as the county and state taxes, as stated above.

The amount of unpaid taxes now due against each parcel, as numbered in the bill of complaint, is as follows:

EXHIBIT C

PARCEL 1

All taxes on this parcel are paid.

PARCEL 2

All Taxes on this parcel are paid.

PARCEL 2a

State and County:

1937	$ 32.21
1936	31.64
1932 to 1935 inc. — State bid	262.66

City of Detroit:

1937—$155.52	1933—$215.28
1936— 159.74	1932— 268.45
1935— 163.42	1931— 440.59
1934— 191.73	

PARCEL 3

State and County:

1937	$ 28.28
1936	26.22
1930 to 1935 inc. — State bid	677.68

City of Detroit:

1937	$136.51	1933	$207.04
1936	132.35	1932	269.96
1935	135.40	1931	400.60
1934	177.32		

PARCEL 4

All taxes on this parcel are paid.

PARCEL 5

State and County:

1937	$ 79.03
1936	73.27
1930 to 1935 inc. — State bid	903.20

City of Detroit:

1937	$381.54	1933	$407.24
1936	369.90	1932	645.19
1935	378.44	1931	574.67
1934	400.05		

CR. from Delinquent 7-yr. plan $269.89

PARCEL 6

State and County:

1937	$ 29.10
1936	26.98
1930 to 1935 inc. — State bid	554.98

City of Detroit:

1937	$140.47	1933	$159.67
1936	136.19	1932	239.80
1935	139.32	1931	320.74
1934	162.36		

PARCEL 7

All taxes on this parcel are paid.

PARCEL 8

State and County:

1937	$193.11
1936	181.54
1934 and 1935 — State bid	513.53

Prior taxes are paid.

City of Detroit:

1937—	$ 932.33	1934—	$1,041.90
1936—	916.43	1933—	1,158.02
1935—	1,003.32		

Special assessment—City Bid 3/31/34 15,706.16

PARCEL 9

All taxes on this parcel are paid.

PARCEL 10

All taxes on this parcel are paid.

PARCEL 11

All taxes on this parcel are paid.

PARCEL 12

State and County:

1937	$ 21.60
1936	20.03
1930 to 1935 inc. — State bid	422.46

City of Detroit:

1937—	$104.29	1933—	$133.15	
1936—	101.11	1932—	196.36	
1935—	112.87	1931—	232.53	
1934—	127.01	1930—	232.72	Wiltsie tax cert.

PARCEL 13

State and County:

1937	$ 18.38
1936	17.04
1935	16.48
*1934 reassessed	18.91
1933	19.00
**1930 to 1932 inc.—10 yr. plan	130.00

City of Detroit:

1937—	$88.71	1933—	$ 90.63
1936—	86.00	1932—	128.80
1935—	88.00	1931—	154.50
1934—	92.74		

PARCEL 14

State and County:

1937	$ 22.81
1936	21.15
*1934 reassessed	23.85
1935)	
1933)	
1932) State Bid	314.54
1931)	
1930)	

City of Detroit:

1937—	$110.10	1933—	$114.28	
1936—	106.74	1932—	161.98	
1935—	109.20	1931—	187.38	
1934—	116.95	1930—	176.86	Wiltsie tax cert.

PARCEL 15

State and County:

1937	$11.21
1936	10.40
1930 to 1935 inc. — State bid	225.91

City of Detroit:

1937—$54.13		1933— $77.60	
1936— 52.48		1932— 96.52	
1935— 59.97		1931— 111.18	
1934— 63.90		1930— 140.29	Wiltsie tax cert.

* 1934 reassessed bears interest ¾% per month from March 1, 1938.

** 10-year plan bears interest 5% per annum from September 1, 1935.

PARCEL 16

State and County:

1937	$17.17
1936	15.92
1930 to 1935 inc. — State bid	400.43

City of Detroit:

1937—$82.91		1933—$132.89	
1936— 80.38		1932— 184.00	
1935— 85.38		1931— 224.44	
1934— 88.65		1930— 239.14	Wiltsie tax cert.

PARCEL 17

State and County:

1937	$ 9.68
1936	8.98
1930 to 1935 inc. — State bid	160.18

City of Detroit:

1937—$46.74		1933—$51.02	
1936— 45.31		1932— 72.39	
1935— 46.35		1931— 88.47	
1934— 48.13		1930— 87.76	Wiltsie tax cert.

PARCEL 18

State and County:

1937	$ 34.24
1936	31.74
1930 to 1935 inc. — State bid	595.82

City of Detroit:

1937	$165.29
1936	160.24
1930 Wiltsie tax cert.	313.61

PARCEL 19

State and County:

1937	$36.70
1936	34.03
1933 to 1935 inc. — State bid	155.63
**1930 to 1932 inc. — 10 yr. plan	240.84

City of Detroit:

1937—	$177.17	1933—	$221.39
1936—	171.77	1932—	271.46
1935—	175.73	1931—	307.43
1934—	182.49	1930—	304.74 Wiltsie tax cert.

** 10-year plan bears interest 5% per annum from Sept. 1, 1936.

PARCEL 20

All taxes on this parcel are paid.

PARCEL 21

State and County:

1937	$ 26.69
1936	24.75
1930 to 1935 inc. — State bid	708.26

City of Detroit:

1937—	$128.85	1933—	$257.27
1936—	124.93	1932—	383.97
1935—	127.80	1931—	382.33

1934— 197.16		1930—	371.90 Wiltsie tax cert.

Special assessment—City bid 3/31/34 35.57
Special assessment—City bid 6/12/35 37.38
Special assessment—City bid 6/8/37 40.38
CR. from Delinquent 7-yr. plan $ 8.91

PARCEL 22

State and County:

1937 $ 18.27
1936 16.94
1930 to 1935 inc. — State bid 285.79

City of Detroit:

1937—$88.19		1933—	$ 99.41
1936— 85.50		1932—	126.08
1935— 87.47		1931—	158.42
1934— 90.83		1930—	149.61 Wiltsie tax cert.

Special assessment—City bid 3/31/34 $2,263.40

PARCEL 23

State and County:

1937 $ 40.03
1936 37.12
1930 to 1935 inc. — State bid 535.55

City of Detroit:

1937—$193.28		1933—$201.72	
1936— 187.38		1932— 247.04	
1935— 191.70		1931— 274.02	
1934— 199.07		1930— 258.65	Wiltsie tax cert.

PARCEL 24

State and County:

1937 $ 8.04
1936 7.45
1930 to 1935 inc. —State bid 138.53

City of Detroit:

1937—	$38.82	1933—	$43.85	
1936—	37.63	1932—	58.82	
1935—	38.50	1931—	70.99	
1934—	39.98	1930—	67.15	Wiltsie tax cert.

PARCEL 25

State and County:

1935	$ 11.05
1936	10.24
1930 to 1935 inc. — State bid	161.25

City of Detroit:

1937—	$53.34	1933—	$ 64.32	
1936—	51.71	1932—	116.13	
1935—	52.90	1931—	142.75	
1934—	54.94	1930—	150.71	Wiltsie tax cert.

Special assessment—City bid 6/12/35 $38.39

PARCEL 26

State and County:

1937	$11.16
1936	10.34
1930 to 1935 inc.—State bid	156.78

City of Detroit:

1937—	$53.86	1933—	$57.67
1936—	52.22	1932—	71.78
1935—	53.42	1931—	82.21
1934—	55.48	1930—	64.08

PARCEL 27

State and County:

1937	$ 7.55
1936	7.00
1930 to 1935 inc. — State bid	109.60

City of Detroit:

1937—	$36.43	1933—	$36.67
1936—	35.33	1932—	50.37
1935—	36.14	1931—	58.98
1934—	37.53	1930—	46.85

PARCEL 28

State and County

1937	$ 6.13
1936	5.68
1930 to 1935 inc. — State bid	88.90

City of Detroit:

1937—	$29.57	1933—	$30.56
1936—	28.66	1932—	38.01
1935—	29.33	1931—	48.80
1934—	30.46	1930—	37.10

Special assessment—City bid 3/31/34	$19.28
Special assessment—City bid 6/12/35	20.37
CR. from Delinquent 7-yr. plan	2.89

PARCEL 29

State and County:

1937	$23.63
1936	21.91
1934 and 1935 — State bid	65.09
** 1930 to 1932 inc. — 10 yr. plan	127.60

City of Detroit:

1937—	$114.06	1933—	$137.41
1936—	110.58	1932—	161.61
1935—	122.53	1931—	167.10
1934—	135.98	1930—	82.94

CR. from Delinquent 7-yr. plan $102.60

PARCEL 30

State and County:

1937	$ 9.08
1936	8.42

*1934 reassessed		11.37
1930)		
1931)		
1932)	State bid	252.41
1933)		
1935)		

City of Detroit:

1937—$43.83	1932—$115.83		
1936— 42.49	1931— 165.46		
1935— 43.47	1930— 165.78	Wiltsie tax cert.	
1934— 55.75	1929— 84.95	Faust tax cert.	
1933— 75.74			

** 10-year bears interest 5% per annum from Sept. 1, 1937.

* 1934 reassessed bears interest ¾% per month from March 1 1938.

PARCEL 31

All taxes on this parcel are paid.

PARCEL 32

All taxes on this parcel are paid.

PARCEL 33

State and County:

1937	$ 72.47
1936	67.19
1930 to 1935 inc. — State bid	1,192.42

City of Detroit:

1937—$349.86	1933—$368.64		
1936— 339.18	1932— 546.25		
1935— 347.01	1931— 667.06		
1934— 360.36	1930— 644.98	Wiltsie tax cert.	

PARCEL 34

All State and County taxes on this parcel are paid.

City of Detroit:

Balance due under the 7-year plan for the years 1931 and 1932 $343.41
This bears interest at 5% per annum from April 10, 1938.

PARCEL 35

State and County:

1937	$ 43.75
1936	43.15
1930 to 1935 inc. — State bid	621.17

City of Detroit:

1937—$ 11.24	1934—$213.22
1936— 217.84	1933— 224.58
1935— 222.86	

PARCEL 36

State and County:

1937	$13.02
**1933 to 1935 inc. — 10 yr. plan	38.75
**1930 to 1932 inc. — 10 yr. plan	61.32

City of Detroit:

1937—$62.84	1933— $ 79.73
1936— 60.93	1932— 83.55
1935— 66.00	1931— 105.70
1934— 68.54	1930— 90.75
Special assessment—City bid 6/19/35	$11.87
CR. from Delinquent 7 yr. plan	$41.91

PARCEL 37

State and County:

1937	$12.03
1936	11.16
1930 to 1935 inc. — State bid	220.90

City of Detroit:

1937—$58.09	1933—$ 71.75

1936—	56.31	1932—	84.76
1935—	62.85	1931—	131.53
1934—	65.27	1930—	110.61

PARCEL 38

All taxes on this parcel are paid.

PARCEL 39

State and County:

1937	$ 19.85
1936	18.41
1930 to 1935 inc. — State bid	362.14

City of Detroit:

1937—	$95.85	1933—	$100.20
1936—	92.92	1932—	138.15
1935—	95.07	1931—	226.01
1934—	94.91	1930—	195.44

** 10 year plan bears interest 5% per annum from Sept. 1, 1938.

PARCELS 40, 41, 42, 43

All taxes on these parcels are paid.

PARCEL 44

State and County:

1937	$ 20.24
1936	18.76
**1930 to 1932 inc. — 10 yr. plan	126.64

City of Detroit:

1937—	$ 97.69	1933—	$112.66	
1936—	94.72	1932—	146.89	
1935—	96.90	1931—	178.51	
1934—	116.67	1930—	194.82	Wiltsie tax cert.

CR. from Dilinquent 7 yr. plan $65.08

PARCEL 45

State and County:

1937	$ 9.41
1936	8.72
1930 to 1935 inc. — State bid	147.31

City of Detroit:

1937—	$45.41	1933—	$55.29
1936—	44.03	1932—	65.76
1935—	45.05	1931—	80.12
1934—	46.98	1930—	66.80
Special assessment—City bid 3/31/34			$99.88
CR. from Delinquent 7 yr. plan			$41.75

PARCEL 46

State and County :

1937	$ 10.50
1936	9.74
1930 to 1935 inc. — State bid	207.38

City of Detroit:

1937—	$50.70	1933—	$ 63.52
1936—	49.14	1932—	87.78
1935—	50.27	1931—	126.31
1934—	49.77	1930—	102.74
Special assessment—City bid 3/31/34			$207.60
Special assessment—City bid 6/12/35			5.89

** 10 year plan bears interest 5% per annum from Sept. 1, 1937.

PARCEL 47

State and County: and
City of Highland Park

1937	$ 223.05
1936	211.54
1930 to 1935 inc. — State bid	2,390.70

City of Highland Park:
and School District
1938—$176.80

PARCEL 48

State and County:

1937	$ 7.06
1936	6.54
1930 to 1935 inc. — State bid	192.81

City of Detroit:

1937—	$34.06	1933—	48.10
1936—	33.02	1932—	63.65
1935—	33.78	1931—	133.87
1934—	35.08	1930—	112.83

Special Assessment—City bid 3/31/34 $107.28
CR. from Delinquent 7-yr. plan 16.08

PARCEL 49

State and County:

1937	$ 7.66
1936	7.10
1930 to 1935 inc. — State bid	147.89

City of Detroit:

1937—	$36.97	1933—	$41.45
1936—	35.84	1932—	67.26
1935—	36.66	1931—	88.47
1934—	38.07	1930—	74.56

PARCEL 50 (Lot 1)

State and County:

1937	$9.13

City of Detroit:

1937	$44.09
1936	42.74

PARCEL 50 (Lot 2)

State and County:

1937	$10.12

City of Detroit:

1937	$48.85
1936	47.35

Approved:
JOHN H. WITHERSPOON,
Asst. Corp. Counsel, City of Detroit.
DUNCAN C. McCREA, Pros. Atty.
by GARFIELD A. NICHOLS.
RAYMOND W. STARR, Attorney General, State of Mich.
by WILLIAM F. CONNALY, Asst. Attorney General.
EARL B. YOUNG,
City. Atty. for City of Highland Park.

EXHIBIT D

UNITED STATES OF AMERICA
IN THE DISTRICT COURT OF THE UNITED STATES FOR THE EASTERN DISTRICT OF MICHIGAN SOUTHERN DIVISION
IN EQUITY

United States of America,
Plaintiff
vs.
JOHN W. PAUL, et al
Defendants
NO. 7544

STIPULATION.

To the Honorable Judges of the District Court of the United States for the Eastern District of Michigan, Southern Division:

Now comes Mary Emily Wiltsie Field, Executrix of the Estate of Charles H. Wiltsie, Deceased, and represents as follows:

Stipulation of Facts

1. That during his life time Charles H. Wiltsie purchased tax claims upon certain parcels of property described in the Bill of Complaint on file herein, and which in said bill of complaint, paragraph 18, are numbered, and that subsequently certificates were issued to the said Charles H. Wiltsie, now deceased.

2. That the following is a list of the properties by parcel number, certificate number and the amount of the claim of the estate of the said Charles H. Wiltsie, Deceased:

Parcel No.	Certificate No.	(Face) Amount
3	59—pd.	
6	62—pd.	
7	98—pd.	
12	295	$232.72
13	493	145.83
14	494	176.86
15	499	140.29
16	519	239.14
17	5228	87.76
18	743	313.61
19	746	304.74
21	5651	371.90
22	4615	149.61
23	4884	258.65
24	6927	67.15
25	6996	150.71
30	6514	165.78
33	6390	644.96
44	4555	194.82

The amounts set forth in the next preceding paragraph are the face amounts set forth on the certificates, each of which is subject to interest, penalties, etc., provided by law.

MARY EMILY WILTSIE FIELD,
Executrix of the Estate of
Charles H. Wiltsie, Deceased.

JOINT EXHIBIT-A

THIS INDENTURE Made this 13th day of February in the year of our Lord one thousand nine hundred and thirty-one Between Lena Paul, widow of John P. Paul, deceased, of the City of Detroit, Wayne County, Michigan, party of the first part, and John W. Paul, Frederick P. Paul, Nettie B. Paul, Riney F. Paul, Amelia L. Paul and Charles P. Paul, of the same place, and being all of the living children of party of the first part, parties of the second part.

WITNESSETH, that the said party of the first part, for and in consideration of the sum of One ($1.00) love and affection and other good and valuable consideration to her in hand paid by the said parties of the second part, the receipt whereof is hereby confessed and acknowledged, does by these presents grant, bargain, sell, remise, release, alien and confirm unto said parties of the second part, jointly in undivided equal interest, and their heirs and assigns, Forever, all of her right, title and interest in any and all real estate standing in her name or in which she has any interest by purchase, inheritance, right of succession or otherwise located and being in the County of Wayne and State of Michigan.

This conveyance is subject to any restrictions of record on the use and improvement of any of the said properties and subject to any encumbrances on any of the said properties, payment of which is to be assumed and paid equally by and between parties of the second part herein.

Provided, however, from this conveyance there is excepted the homestead of party of the first part at Number 207 King Avenue, located on the Northeasterly corner of John R Street and King Avenue in the City of Detroit, Michigan, contemporaneously herewith otherwise conveyed by party of the first part herein.

In so transferring and conveying the premises to the said several parties of the second part, it is on condition that they

continue to hold and manage the said properties jointly, and that none of the said several properties be disposed of without the consent and concurrence of all of them, and that none of the said parties of the second part shall otherwise sell or dispose of his or her interest in the said properties or any of them, and that in the event of any disposition by the joint action and concurrence of all of them that the proceeds of such disposition belong to and be divided equally between the said parties of the second part, or in the event of the death of any of them, shall belong to and be divided equally between the survivors of them, except that in the event of any of them deceasing, the share of such deceased child, if survived by any child or children, shall belong to his or her child or children, including the widow of any such deceased male child, but in such event such widow shall have only a life use and interest in the said properties in accordance with the statutes of descent and distribution, and shall have no right for disposing of such interest, either by conveyance, will or otherwise.

Together with all and singular the hereditaments and appurtenances thereto belonging or in anywise appertaining: To have and to hold the said premises, as herin described, with the appurtenances unto the said parties of the second part, and to their heirs and assigns, Forever; none except as hereinbefore stated.

In witness whereof the said party of the first part has hereunto set her hand and seal the day and year first above written.

Signed, sealed and delivered in the presence of

E. A. FINK

MARGARET McDOUGALL

LENA PAUL (L. S.)

STATE OF MICHIGAN,
COUNTY OF WAYNE } SS:

On this 13th day of February in the year one thousand nine hundred and thirty-one before me, a Notary Public, in and for said county, personally appeard LENA PAUL to me known to be the same person described in and who executed the within instrument, who then acknowledged the same to be her free act and deed.

MARGARET MCDOUGALL,
Notary Public, Wayne, County, Michigan.

My commission expires July 25, 1931.

Lena Paul to John W. Paul, Frederick P. Paul, Nettie B. Paul, Riney F. Paul, Amelia L. Paul and Charles P. Paul.

REGISTER OF DEEDS OFFICE
WAYNE COUNTY, MICH. } SS:

This instrument was received for record June 20, 1931 at 11:20 o'clock a. m. and recorded in Liber 3613 of Deeds, on page 291.

OTTO STOLL,
Register of Deeds.

Paid $1.00

JOINT EXHIBIT B

THIS INDENTURE made this 13th day of February in the year of our Lord one thousand nine hundred and thirty-one between Lena Paul, widow of John P. Paul, deceased, of the city of Detroit, Wayne County, Michigan, party of the first part, and John W. Paul and Nettie B. Paul, of the same place, parties of the second part.

WITNESSETH, that the said party of the first part, for and in consideration of the sum of One ($1.00) Dollar, love and affection and other good and valuable consideration to her in hand paid by the said parties of the second part, the receipt whereof is hereby confessed and acknowledged, does by these presents grant, bargain, sell, remise, release, alien and confirm unto said parties of the second part, in equal undivided interest and to the survivor of them, and their heirs, representatives and assigns, Forever all that certain piece or parcel of land constituting the homestead of party of the first part situate and being in the City of Detroit, county of Wayne, and State of Michigan, and described as follows, to-wit: The Northeast corner of John R Street and King Avenue, being house number 207 King Avenue, subject to any restrictions of record upon the use or improvement thereof, and subject to any encumbrance on the said premises, all furnishings and equipment belonging to and now in use with the said Premises, I give outright to my daughter, Nettie B. Paul.

In so conveying the said premises to parties of the second part, it is on condition that neither of them may, without the consent of the other, dispose of his interest in the said premises, and that upon any sale or other disposition of the premises the proceeds thereof shall be divided equally between them, except that if not disposed of during the joint lives of the parties of the second part, and the premises thereupon becoming the sole property of the survivor, it is a con-

dition of such survivorship and sole interest in the property, that if the deceased one of the two grantees herein shall leave a child or children him or her surviving, that the undivided one-half interest in the said property, or the proceeds of the disposition thereof shall belong to and go to the children of such deceased one of parties of the second part herein by right of representation.

Together with all and singular the hereditaments and appurtenances thereto belonging or in anywise appertaining: To have and to hold said premises, as herein described, with the appurtenances unto the said parties of the second part, and to their heirs and assigns, Forever, except as hereinbefore stated.

In witness whereof the said party of the first part has hereunto set her hand and seal the day and year first above written. Signed, sealed and delivered in presence of

LENA PAUL (L. S.)

E. A. FINK

MARGARET MCDOUGALL

STATE OF MICHIGAN, }
COUNTY OF WAYNE } SS:

On this 13th day of February in the year one thousand nine hundred and thirty-one before me, a Notary Public, in and for said county, personally appeared Lena Paul, to me known to be the same person described in and who executed the within instrument, who then acknowledged the same to be her free act and deed.

MARGARET MCDOUGALL,
Notary Public, Wayne County, Michigan.

My commission expires July 25, 1931.

LENA PAUL
TO
JOHN W. PAUL and NETTIE B. PAUL

REGISTER'S OFFICE
Wayne County } SS.

This instrument was presented and received for Record, this day of Sep. 28, A. D. 1933 at 1:40 o'clock P. M., and Recorded in Liber 4012 of Deeds, on Page 173. A certificate having been furnished in compliance with §4134 Compiled Laws, 1915.

HAROLD E. STOLL,
Register of Deeds.

Paid 75c.

COMPLETE TRANSCRIPT OF PROCEEDINGS AND TESTIMONY

(Filed March 4, 1941)

Proceedings had and testimony taken before Honorable Edward J. Moinet, Judge of the United States District Court, in the Federal Building, in the City of Detroit, Michigan, on the 14th day of November, A. D. 1938.

APPEARANCES:

MR. J. THOMAS SMITH, Assistant U. S. Attorney, appearing on behalf of the Government.

MESSRS. EDW. S. REID, JR., and E. E. EAGAN, Counsel on behalf of the Detroit Bank, Detroit Trust Company, and Ernest H. King, Receiver.

JOHN H. WITHERSPOON, Esq. Assistant Corporation Counsel for the City of Detroit.

MR WISEMAN, appearing on behalf of B. C. Schram, Receiver of First National Bank, Detroit.

Mr. Smith: May it please the Court, this is a case of Paul vs. United States, or, the United States vs. Paul and others. This is the case that was before your Honor a while back in which a stipulation of the facts, or most of the facts, was filed and your Honor set today as limits for all briefs to be filed and for such other testimony as might be introduced. The Government has two formal matters to introduce into the testimony and it will take five minutes, and I think Mr. Witherspoon would like to stipulate some evidence, and Mr. Reid wants to introduce in evidence things that we will object to.

The Court: What is this action—a tax matter?

Mr. Smith: Yes, your Honor, it is a suit to foreclose an estate tax lien.

(Thereupon Government's Exhibits 1 and 2 were marked by the Reporter.)

Mr. Smith: I will now offer in evidence Government's Exhibits 1 and 2, No. 1 being a certified copy of the notice of tax liens, filed with the clerk of the court, Federal District

Court; Exhibit No. 2 being a certified copy of notice of tax lien filed with the Register of Deeds office. I offer those in evidence.

Mr. Reid: I would like to ask Mr. Smith if those are the only notices that have been filed, in that there has been no others of earlier filing.

Mr. Smith: I will state that I have no knowledge of any other being filed.

Mr. Reid: If that is it, I think we had better get the Collector in here and get his testimony, that he has not filed any others.

Mr. Smith: Mr. Lungerhauser can testify to that.

The Court: That this is the only lien filed?

Mr. Reid: Yes.

The Court: This is one lien.

Mr. Reid: It is my understanding that this was filed as late as Tuesday, and I want it certain that there was no claims filed at any earlier date.

The Court: And no later.

Mr. Reid: And one later. We have no objection to these documents.

The Court: They may be admitted in evidence.

(Thereupon documents were marked Government's Exhibits 3 and 4, by the Reporter, and were received in evidence.)

JAY SHEDD, called as a witness on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination

By Mr. Smith:

Q. Mr. Shedd, where do you live?

A. Detroit.

Q. For whom do you work?

A. The United States Government.

Q. What department of the United States Government?

A. Treasury Department.

Q. Under whose immediate supervision?

A. Collector of Internal Revenue.

Q. What is your job?

A. Well, it is called chief bookkeeper.

Q. Chief bookkeeper for the Collector of Internal Revenue?

A. Yes, sir.

Q. And as such, do you have charge of the books and records of the Collector of Internal Revenue, for the Eastern District of Michigan?

A. Yes, sir.

Q. I show you Government's Exhibit 3 and ask you if you can identify that?

A. Yes, sir.

Q. What is it?

A. It is an assessment certificate showing the assessment of certain taxes by the Commissioner of Internal Revenue.

Q. I show you Government's Exhibit 4. Can you identify that?

A. Yes, sir.

Q. What is it?

A. It is the assessment made by the Government—as made by the Commissioner of Internal Revenue.

Q. Against who?

A. It is against the estate of John P. Paul.

The Court: Of who?

A. John P. Paul.

The Court: John P. Paul?

A. Yes, sir.

Q. (By Mr. Smith:) Mr. Shedd, can you tell whether demand was made upon the estate of John P. Paul for payment of this assessment?

A. Yes, sir.

Q. What is the date of that demand?

A. February 25th, 1933.

Q. What is your usual way of making a demand?

A. The statute provides where demand shall be made either by person or by mail, the notice is mailed to the address of the taxpayer.

Q. And notice was mailed?

A. Notice was mailed.

Q. Is an entry made upon your books of which Exhibit 4 is a part, of the date of that demand?

A. Yes, sir.

Q. Where is that shown?

A. There is on the right hand corner a little square with some lines across it indicating the notice was issued on February 25th, 1933.

Q. Notice was issued and mailed to the estate of John P. Paul?

A. Yes, sir.

Q. Does Exhibit 4 also show the date of issuance of a warrant of restraint?

A. Yes, sir.

Q. What date was the warrant of restraint issued?

A. April 10th, 1933.

Q. Does that record show here that warrant of restraint was returned unsatisfied or not?

A. It would indicate that it was returned on August 1st, 1933.

The Court: Returned to what?

A. Returned to the Collector of Internal Revenue's office unsatisfied.

Q. (By Mr. Smith) Is Government's Exhibits 3 and 4 part of the books and records of the Collector of Internal Revenue?

A. Yes, sir.

Q. And those are kept under your supervision and control?

A. Yes, sir.

Q. They are the original entries?

A. They are the original entries.

Mr. Smith: We offer Government's Exhibits 3 and 4. I should ask at this time, your Honor, to be allowed to have photostatic copies of these made and substitute them for the original records after they are in evidence.

The Court: No objections? They may be received and photostatic copies substituted. I take it that is satisfactory.

Mr. Reid: Yes, it is.

Mr. Smith: The Government has no more testimony, your Honor, and I think this completes the case.

By Mr. Reid:

Q. Mr. Shedd, do you have charge of the filing of these notices that are recorded?

A. Which notices?

Q. Well, there is a notice of the lien claimed in this case —one is recorded with the Clerk of the District Court, and one is recorded with the Register of Deeds of Wayne County.

A. I do not at the present time.

Q. They are under the name of the Collector? You do not have charge of it?

A. Not now.

(Witness excused).

Mr. Reid: Your Honor, there is one thing I have no objection to. We do not know whether the facts of the case as stipulated, whether those facts should be introduced in evidence, or whether it be filed as part of the record. I would like to have it stipulated that stipulated facts may be introduced and received in evidence and considered part of the record in this case.

The Court: It may. Who is calling the next witness?

Mr. Reid: Apparently I am calling him.

The Court: Has the Government rested?

Mr. Smith, Yes, sir.

Mr. Reid: We are calling him under the statutes, your Honor. He is the Government's employee, and an adverse witness.

The Court: I am not so sure that that Michigan Statute applies to the Federal Court.

Mr. Reid: Well, perhaps it is a petty point, but I think the Government should admit in this case they are claiming a lien and claim that it is filed on a certain date in the Register of Deeds office. Now, it seems to me proper for me to call on them to state that they have not filed it at any earlier time in the Register's office, and then compel me to

bring in the Register of Deeds to prove negative that lies within our knowledge.

The Court: I understand that is the stipulation on this record.

Mr. Reid: Well, the stipulation does not specify on that point, I don't believe.

The Court: I understand your stipulation is that no other tax claims or liens were filed by the Government, exhibits 1 and 2,—one filed with the District Clerk and the other with the Register of Deeds; before this or since this?

Mr. Smith: I think that is true.

Mr. Reid: If that is true, we won't pursue it any further.

The Court: Whether it is on the stipulation, it is in the record now. This is a stipulation on the record by the Government.

Mr. Reid: That is satisfactory then.

The Court: I don't know who all of these defendants are or who represents them.

Mr. Reid: We represent the Detroit Bank and the Detroit Trust Company, and Ernest H. King, in a lot of moratorium cases. We, of course, claim that we are bonafide incumbents, and are not subject to the Government's liens. I have here our brief which I wish to file at this time. Now, we want to offer testimony that will indicate that we are bonafide purchasers and without notice of the Government's lien. I understand, Mr. Smith is going to object to that testimony on the ground that it is not material. We claim that this is an equity case which the Government is seeking a remedy of foreclosure and that they are compelled to equity and that our equitable situation is relative, can be shown.

The Court: What does the stipulation of facts show?

Mr. Reid: The stipulation of facts shows that we have made the mortgages. Of course, it does not stipulate what is really a state of mind—that is, our knowledge of this lien is not stipulated. The amount of the mortgage is shown and it

is unpaid, but it is not shown that this represents an actual fair transaction, which I want to show.

The Court: The liens were actually made?

Mr. Reid: Yes, sir, unless Mr. Smith wants that stipulated.

The Court: You are looking for proofs showing they never had any notice or knowledge—no actual notice or knowledge.

Mr. Reid: Yes, sir.

The Court: I would say if we have that proof it should be received. Whether it is material or not is a question for the Court to settle. They are getting down to the point as to whether there is any defense for this claim.

Mr. Smith: Our position, your Honor, is whether they had actual notice or not is immaterial. The Statute provides that the estate tax, the assessment made by the Commissioner relates back from the date of the death until paid off. Now, it is immaterial whether they knew about it and therefore they couldn't have any reason for putting it into evidence here.

The Court: It would depend on the decision of the Court. How long did this run before you proceeded to foreclose? This lien was filed in 1933?

Mr. Reid: It was filed almost the last day of the calendar.

The Court: You haven't given me the date of the lien. Demand was made February 25th, 1933, and notice was mailed on February 25th, 1933, and warrant of restraint, April 10th, 1930.

Mr. Smith: 1933, your Honor.

The Court: The warrant of restraint was returned unsatisfied?

Mr. Smith: Yes, on August of 1933, and it was issued April, 1933.

The Court: And the warrant of restraint was issued April 10th, 1933.

Mr. Reid: I understand your Honor, it is a notice filed first with the Collector.

The Court: You mean with the clerk?

Mr. Reid: With the clerk by the Collector—with the clerk.

The Court: What was the date of that filing?

Mr. Reid: December, 1935, I think was the Register of deeds—

The Court: It says December 26th, 1935.

Mr. Reid: Mr. Paul died May, 1926, so it was nine and a half years later that there was first any notice which would come to the attention of an incumbent.

The Court: This was a tax for when? 1926?

Mr. Reid: Yes.

Mr. Smith: He died May 5th, 1926.

The Court: Paul died?

Mr. Smith: Yes.

Mr. Reid: It is on his estate that this tax imposed.

Mr. Smith: And the assessment was made on February 17th, 1933.

The Court: The assessment was made when?

Mr. Smith: February 17th, 1933.

The Court: In what way is that made?

Mr. Smith: By the Commissioner of Internal Revenue.

The Court: You mean he just answers that the assessment was made, is satisfactory on the records?

Mr. Smith: Satisfactory on the records.

The Court: Mr. Paul died May 5th, 1926, the assessment was made—

Mr. Smith: February 17, 1933.

The Court: That was seven years after the death?

Mr. Reid: And long after all these mortgages were made.

The Court: Well, are all the dates in this record showing when the mortgages were made?

Mr. Reid: Yes, they are.

The Court: Made in what manner?

Mr. Smith: By the Commissioner of Internal Revenue signing an assessment list and forwarding it to the Collector of Internal Revenue in Detroit. That is, when the tax becomes due.

The Court: When does it become a lien?

Mr. Smith: It becomes a lien back at the date of Paul's death—it is a lien from the date of his death, for a period of ten years after unless paid in the interim.

The Court: The assessment in 1933—was any notice given to Mr. Paul?

Mr. Smith: Yes, sir, Mr. Shedd's notice was that of February 25th, 1933.

The Court: Notice was mailed?

Mr. Smith: Notice was mailed to the estate demanding a payment. On April 10th, 1933, a warrant of restraint was returned unsatisfied, unpaid. The reason for the statute is obvious because if a man dies, it is always several years before the Commissioner of Internal Revenue can have the records audited and collection made.

The Court: Isn't there any provision in law requiring notices should be filed? This notice was not filed until December 26th, 1935.

Mr. Smith: They couldn't file the notice sooner than that until the return was examined. The executor is requested to file the estate tax return disclosing the value of the assets and so forth, of the deceased that were transmitted by death, in which he discloses the amount and pays the tax just like an income tax and the Commissioner has to audit those accounts and if there is a deficiency, to make a deficiency assessment.

The Court: Does the statute require that the tax lien filed with the Register of Deeds state the amount of the tax?

Mr. Smith: You wait until you get a return from the estate, the widow or otherwise. In other words, I think your estate tax return was not filed there at all.

Mr. Reid: That is not correct—it was filed and the tax paid.

The Court: You mean the estate tax was paid?

Mr. Reid: Yes, sir. It was, and the returns filed and an estate tax paid to the Government. Then the Government claims that the entire property that Mr. Paul and his wife owned was includable in the estate and that was the issue.

The Court: Well, you got two Pauls here—here is a John W. Paul.

Mr. Reid: John W. is a son. The property is derived from the estate of John P. Paul. John W. is one of the sons—he is just an heir. The law of Michigan was read to be, "all that dwelled with the estate," and also a law of the United States, "that such property not included in the estate of a deceased person," and it was not until 1931 that the Supreme Court of the United States decided otherwise in Tyler vs. The United States, which accounts for the fact that these incumbents went ahead because they had every reason to believe they were perfectly safe in doing so, and it was an entirety property.

The Court: Paul survived?

Mr. Reid: The wife survived, and she is the one who made these mortgages. They were made, most of them, by her as surviving tenant.

The Court: What part of this estate do you claim lien on? On the property that descended to the widow?

Mr. Smith: Yes, sir.

Mr. Reid: That is evidently what they are claiming.

The Court: This is a funny case.

Mr. Smith: It is, your Honor.

The Court: Let me ask you—I don't know whether I remember or not—under the Michigan law they would de-

pend a good deal upon whether or not under the law, you could make a claim in either interest in that estate. The Government is bound by what the Michigan law is.

Mr. Smith: The Government is not bound by the Michigan law in regard to liens.

The Court: The Government is bound by the Michigan law as to what the Michigan taxes are.

Mr. Smith: Congress passes its own laws and makes its own liens, and effects the collection of its own taxes.

The Court: That might be true, but Michigan can provide who owns the property. Congress can't levy any lien against somebody on certain property which he does not own.

Mr. Smith: Congress cannot say who does or does not own the property, but it can say who will pay the tax upon property that it does levy a lien against.

The Court: No, it can't say that. It can simply say what property it will be liable for.

Mr. Smith: That is right, and that is what we said in this case.

The Court: Provided that they find the particular person who owns the property. You have got a funny estate here.

Mr. Smith: There is no question about who owns the property, your Honor.

The Court: They changed the law of Michigan that regards the estate by the entirety. I don't know, but this tax is levied against the Paul estate.

Mr. Smith: It is levied against the estate of Paul, John P. Paul, and included in the estate of John P. Paul was this entirety property.

Mr. Wiseman: There is one difference, the one that we are—B. C. Schram is interested in, was conveyed—was originally property by the entirety conveyed to a daughter. The mortgage was made by the bank to the daughter so it couldn't have any way passed through their hands upon his death, or any other time. Of course, it was made within two years of

his death and I understand that it was conveyed before his death by the wife and the husband to this daughter.

The Court: What is the tax?

Mr. Smith: $31,000.00 plus interest, interest date running from February 25th, 1933, your Honor.

The Court: February 25th, 1933?

Mr. Smith: Yes.

The Court: Fifteen years. Now, you have got your stipulated facts.

Mr. Smith: Our brief has been filed and we have—

The Court: A brief filed by Mr. Schram, the Receiver, and a brief here filed by all of the defendants except Schram.

Mr. Reid: No, it is the Detroit Bank, the Detroit Trust Company.

The Court: Who appears for the estate of Paul, here?

Mr. Reid: Mr. Lorenzo, and he has given us a letter which he wants us to pass to you, as to his situation.

The Court: He wants to introduce proof?

Mr. Reid: He apparenty does.

The Court: Have you seen this letter?

Mr. Smith: I saw it this morning. I didn't know he wanted to introduce any more proofs.

The Court: Has he filed the stipulation of facts?

Mr. Smith: Yes, he has.

The Court: What else does he want to introduce?

Mr. Smith: I don't know.

Mr. Reid: We just got that last Saturday. I just know he is another party to the case. I know nothing about his business.

The Court: The only thing I can do, is have him produce his proofs and whether or not they are material, I can rule upon them when they are presented. I thought the issues of fact were closed.

Mr. Smith: That was my impression.

Mr. Reid: It has been settled by the Supreme Court of the United States that the entire property is includable in the gross estate. That is the law today and it was not in the law when this man died and when our mortgage was made. The Commissioner of Internal Revenue stated it was not in the law and I presume tax-payers are entitled to rely on what he says.

Mr. Smith: The law, estate law, is the same law in effect today as it was three or four or five years ago when this rose. The law was just exactly the same. Some people thought the law was different when the Supreme Court settled it. He might have misinterpreted the law.

The Court: Suppose there was a joint title held there between two individuals—husband and wife?

Mr. Smith: I wouldn't be prepared to say on that, your Honor.

The Court: They are not levying any tax against the wife?

Mr. Smith: No, but the Supreme Court has settled it. If joint property is held between two in an entirety that is includable for estate tax purposes. That is the only thing we are interested in, is for the estate tax purpose.

The Court: Is it an estate in the case here?

Mr. Reid: Tyler against the United States, which was decided in 1931, held that estates by the entirety were in the gross estate but they were created after the first estate law in 1916. It was not decided until Bowers vs. Helvering in 1938. But we are offering an excuse as to why we didn't investigate this estate because we had no reason to believe that it was part of it, and therefore we are bonafide encumbents.

The Court: Let us get our proofs in here first. What reason does this man give for not being here? This is dated November 11.

Mr. Reid: We received that in our office Saturday morning. Why he wrote to us instead of to the court or instead of coming here I don't know.

The Court: Is there someone representing him? This gentleman, who is he?

Mr. Witherspoon: Your Honor, I represent the City of Detroit, and I would like to have two or three days to complete my brief. I got into a trial and I wasn't able to finish it. And there is one other thing—when we prepared the stipulation we didn't include in the evidence submitted the pertinent provisions of the charter of the City of Detroit, the Statutes of the State of Michigan which counsel on both sides will want. I understand that it is agreeable to Mr. Smith to stipulate that the tax provisions of the charter of the City of Detroit and the Statutes of the State of Michigan may be considered in evidence in this case. Is that agreeable, Mr. Smith?

Mr. Smith: It is agreeable to us, your Honor.

Mr. Reid: Agreeable to me.

The Court: You can embody those in your brief—the provision of the statutes and the city charter.

JOHN C. DILWORTH, called as a witness, being first duly sworn, was examined and testified as follows:

Direct Examination

By Mr. Reid:

A. Mr. Dilworth, are you employed by the Detroit Bank?

A. Yes.

Q. Were you employed by the Detroit Bank at the time of the death of John P. Paul, in 1926?

A. Yes, sir, I was.

Q. What was your official capacity at that time?

A. I was the official in charge of the Mortgage Department at that time.

Q. Were you vice president of the bank?

A. I don't believe at the earlier part but a little later on from this later mortgage. I was assistant cashier at the time.

Q. Are you familiar with the mortgages which the bank holds in the Paul matter?

A. Yes.

Q. Did you personally have charge of the closing of those mortgages?

A. I believe that I handled all of them.

Q. Can you tell from your own knowledge that the Paul —that Mrs. Paul or some member of the Paul family received a consideration of these mortgages?

A. Yes.

The Court: They received what?

Mr. Reid: Consideration of these mortgages.

A. Yes, we paid money to the Pauls. I think almost without exception the proceeds of the mortgages were transferred to their savings account.

Q. Is that true of all the mortgages?

A. All of the mortgages.

Q. Did the bank have knowledge of any claim of the United

States that there was an estate tax due from the estate of John P. Paul at the time you made these mortgages?

Mr. Smith: I would like to object to that, your Honor. First, it is incompetent, immaterial and irrelevant. It is immaterial what knowledge the bank has of the lien because the Statute itself creates the lien and the bank is presumed to have knowledge of the Statute. Whether or not they had actual knowledge does not affect the lien one way or the other.

The Court: He may answer.

Mr. Smith: I offer the further objection that Mr. Dilworth is not in a position to say whether the bank had or had not knowledge.

The Court: He is the man who would have charge of the mortgages. He may answer.

Mr. Smith: Exception.

A. No, we were guided by the attorney's written opinion.

The Court: I don't mean to intimate that this will be received—only if it is material. I am just receiving it as you do in equity cases.

Q. (By Mr. Reid) Can you explain what you mean by, "the attorney's opinion"?

A. It is customary, when the bank receives an application for a mortgage, after he looks at the property and has asked the applicant to supply the necessary papers to submit the abstract which has been brought down to date to the bank's attorney for a written opinion, and we have always been led to believe that all encumbrances on the property would be outlined by the attorneys, and we were not on guard for any estate tax lien of this kind.

Mr. Reid: I think that is all.

(Witness excused)

Mr. Wiseman: If your Honor please, there are just two matters that may be important and we would like some testimony on from the bank. That is, as I explained before, the property in which the bank is interested was conveyed by

John W. Paul and Lena Paul sometime before his death, and then was mortgaged by the daughter, Nettie Paul, to the bank. The stipulation of facts covers most of that in that this property was mortgaged to the bank, given at his death, and so forth. It does not state by whom it was mortgaged. In other words it does not show it was mortgaged by the daughter. I would like to have just that testimony just to supplement —

Mr. Reid: I have one other witness for the Detroit Trust Company.

VERNON C. FRATCHER, called as a witness, being first duly sworn, was examined and testified as follows:

Direct Examination

By Mr. Reid:

Q. Mr. Fratcher, are you employed by the Detroit Trust Company?

A. Yes, sir.

Q. What is your position?

A. Trust officer.

Q. Were you, in 1927, employed by the Security Trust Company of Detroit?

A. Yes, sir.

Q. Did you have any knowledge of the mortgage described as No. 50 in the bill of complaint to the Security Trust Company for twenty-five hundred dollars made on February 25th, 1927 by Lena Paul?

A. Yes, the mortgage was closed under my supervision.

Q. Did Lena Paul actually receive the consideration of the mortgage—that is, twenty-five hundred dollars?

A. She did.

Q. Did the Security Trust Company have any knowledge of the claim of the United States for delinquent estate taxes on the estate of John P. Paul, deceased?

Mr. Smith: I object to that as being incompetent, immaterial and irrelevant to the issues in this lawsuit. Whether or not the Trust Company had any actual knowledge of the existence of a lien would make absolutely no difference to the lien, and to the further ground that this man can speak only for himself and can not speak as to what knowledge other members of the Detroit Trust Company might have in regard to the claims.

The Court: He may answer.

A. It had not.

(Witness excused)

(Thereupon a document was marked Government's Exhibit 5 by the reporter.)

EDWARD M. NEBUS, called as a witness, having been first duly sworn, was examined and testified as follows:

Direct Examination

By Mr. Wiseman:

Q. Your name, please?

A. Edward M. Nebus.

Q. Mr. Nebus, by whom are you employed?

A. First National Bank, Detroit

Q. Will you state your capacity in which you are employed?

A. Clerk in the mortgage department.

Q. You have charge of the mortgage records?

A. Yes, sir.

Q. I hand you document marked exhibit 5 and ask you if you can identify it.

A. This is a mortgage dated July 30, 1929 executed by Nettie Paul, First National Bank, in the amount of five thousand dollars.

Mr. Wiseman: May this be received in evidence?

Mr. Smith: No objection.

(Thereupon the document marked Government's Exhibit 5 was received in evidence.)

Mr. Wiseman: This is the mortgage from Nettie Paul, the original, and I would like to substitute a photostatic copy for the record if that is necessary.

Q. (By Mr. Wiseman) Mr. Nebus, will you state whether or not the records of the bank show how and when Nettie Paul received title to this property, if in fact she did?

Mr. Smith: I will object to that, your Honor, as being hearsay, the record of the bank being the best evidence this man being merely a clerk.

The Court: You can agree upon the title.

Mr. Wiseman: We want merely to show that this was made by transferee. In other words, it didn't ever go through

any estate records—it couldn't have. We now have shown that Nettie Paul made the mortgage and I want to show she received title to the property. If it is necessary I suppose we could be forced to bring in Wayne County records.

The Court: You can probably agree upon the date of conveyance. What I understand, counsel claim that all they wish to show is the date and the conveyance of this property by the Pauls to this Nettie Paul.

Mr. Wiseman: That is correct.

Mr. Smith: I should think we would have no objection at all.

The Court: Have you the abstract?

Mr. Wiseman: Yes "Warranty deed from John P. Paul and Lena Paul, his wife, to Nettie Paul, dated October 5, 1925 and recorded June 4, 1926 in Liber 2343, Page 465 of Deeds.

The Court: Paul and wife to Nettie Paul?

Mr. Wiseman: That is correct. Then the date of the death and so forth, is in this stipulation of facts. The description is on here.

The Court: Have you got all of these descriptions detailed in the statement of facts or have I got to go to the bill of complaint? Are these identified?

Mr. Smith: Yes, sir, they are sufficiently identified.

Mr. Wiseman: I think we can agree that this is Parcel 47. I will read the description into the record if that will clear up any doubts of it. It is lot 27, except that part taken for the widening of John R. Street, and lot 28 of Chadsey subdivision of the south half of lot 4 and north part of lot 3, quarter section 4, ten thousand acre tract, according to a plan recorded in the office of the Register of Deeds for Wayne County, Liber 9, on page 85, property situated in Highland Park.

(Witness excused)

Mr. Smith: All the other facts have been stipulated. I don't like to hold the case any longer.

The Court: Is the widow surviving?

Mr. Reid: No, she is dead now.

The Court: Just the children are alive?

Mr. Reid: One child is dead but there are about four or five children surviving.

The Court: Do they own some property that the tax covers?

Mr. Smith: I think they have conveyed most of it away now.

The Court: It doesn't make any difference. The only thing for us is to try to find the facts and then apply the law. There will be no issue of fact, I don't believe.

Mr. Smith: I don't think there is any disagreement as to the facts.

The Court: All right, you can have all the time you want to file your briefs. It will be quite a time before I can even work at this lawsuit because I am pretty well supplied right now.

Mr. Smith: Can we count the proofs closed, your Honor, unless Mr. Lorenzo comes in?

The Court: You can send him notice that unless he is prepared to present his proofs on or before the twenty-first, that is a week from today, then that is the end of it. He can't be expected to be notified of a hearing and then walk away and say he can't be here and then want to present his proofs, but we will give him more time because if we didn't he might come in and file a petition after we were fairly well started on the briefs, and so forth, and ask to have it reopened and be allowed to present proofs, and if he made a reasonable showing we couldn't prevent it. At least we shouldn't.

I HEREBY CERTIFY that I reported stenographically the proceedings in the above entitled matter, at the time and place hereinbefore set forth; that the same was thereafter

reduced to typewritten form, and that the foregoing is a true, full and correct transcript thereof.

R. FOREST BRENNER

Proceedings had and testimony taken before Honorable Edward J. Moinet, Judge of the United States District Court, in the Federal Building, in the City of Detroit, Michigan, on the 24th day of April, A.D. 1939.

APPEARANCES:

J. THOMAS SMITH, Esq., Assistant United States Attorney, Counsel on behalf of the Government;

CHARLES A. LORENZO, Esq.,

Counsel on behalf of the defendants John W. Paul, Frederick P. Paul, Ruby H. Paul, Nettie B. Paul, Riney T. Paul, and Amelia L. Paul.

The Court: The United States vs. John W. Paul. How many witnesses have you here in this Paul matter?

Mr. Lorenzo: One, your Honor.

The Court: All right. Call your witness.

NETTIE PAUL, called as a witness on behalf of the defendant, being first duly sworn, was examined and testified as follows:

Direct Examination

By Mr. Lorenzo:

Q. What is your name, please?

A. Nettie Paul.

Q. You are a daughter of John W. Paul and Lena Paul?

A. John P. Paul.

Q. John P. Paul?

A. Yes, sir.

Q. And Rheine Paul and Frederick Paul are your brothers?

A. Yes, sir

Q. Do you recall in 1901 when your parents were engaged in the grocery business in the city?

A. Yes, sir.

Q. Do you remember when they disposed of that grocery business?

A. In the month of December of 1901.

The Court: Read that answer.

(Thereupon, the answer was read by the Reporter.)

Q. Where were you living at the time?

A. We were living at the corner of Adams Avenue and Beaubien Street, up above the grocery store.

Q. Who lived there besides your father and mother?

A. Our entire family, my brothers and sisters.

Q. Your brothers and sisters?

A. Yes, sir

Q. State whether or not at any time there was a conversation or discussion, a talk, between your mother and father and you children with respect to the real estate business. Just answer that yes or no.

A. Yes, sir.

Q. About when did that take place?

A. I think it was around the first part of December, right after we sold the grocery store.

Q. In what year?

A. 1901.

Q. Where did it take place?

A. In the home, upstairs over the store.

Q. Who was present at that conference?

A. My father and mother and the family, my brothers and sisters.

Q. State whether or not you were present.

A. Yes, sir.

Q. What did your father and mother, or either of them, say with respect to the real estate business?

Mr. Smith: Your Honor, I object to that question as being incompetent, immaterial and irrelevant to the issues in this case. Attempts to set up a trust in property by order of the agreement is contrary to the Statute of the State of Michigan.

The Court: I will receive it, subject to the objection.

Mr. Smith: Your Honor is sustaining my objection?

The Court: I am inclined to hold this can't be done, but I am receiving it subject to your objection, and I will determine the agreement, prices being furnished, and so forth, whether or not their claims can be sustained as to the rights and interests in this property. It is very doubtful, but I am giving them the benefit of their proofs. All of this evidence of this particular witness as to the claim made with regard to this real estate of these people is received subject to the objection of the plaintiff, the United States.

Mr. Smith: For the purpose of the record, your Honor, three witnesses testified.

The Court: Was it three?

Mr. Smith: Yes, three of them. Will you give their names for the record.

The Court: Those three gentlemen sitting right there.

Mr. Smith: John W. Paul, Rheine Paul and Fred Paul. For the purpose of the record, your Honor, I would like it to show that at the time that testimony was taken I made the same objection to that testimony which covered the same conversation and the same purported alleged agreement, and at that time your Honor made the same ruling, sustaining our objection, or allowed the testimony to be taken under the equity rule for the purpose of appeal.

Q. (By Mr. Lorenzo) Will you please state what your father and mother, or either one of them, said on that occasion?

A. (No response).

The Court: What was said at that time between them?

A. The question come up what they were going to do now, being we were out of the grocery business, and Father said if we would all stay together that we would be partners in the business, and that as the youngest member of the family become of age our names would all appear in the property with father and mother.

Q. What did you say to that proposition?

A. I was satisfied to it.

Q. Did the older children have anything to say as to whether or not that would be satisfactory?

A. They were satisfied also.

Mr. Smith: I object, your Honor, and ask that be stricken.

The Court: Yes, strike it out.

Q. Or, what did they say?

A. They said they were perfectly satisfied to stay and hold everything together and work in partners with my father and have their names go in with the property.

Q. Who was the youngest member of the family?

A. My brother, Charles.

Q. How old was he at that time?

A. I think he was about seven.

Q. In 1901 and along about 1915 he would be twenty-one.

years of age?

A. Yes, sir.

Q. When did your father die?

A. In the year 1926.

Q. Do you remember the month?

A. May 5, 1926.

Q. Now, between the year 1915 and 1926 when your father died, state whether or not this matter was discussed among the family?

A. Well, Father mentioned—

Q. No, please answer whether or not it was discussed, talked about.

A. Yes, sir.

Q. What was the substance of the conversation, of the discussion, between your parents and yourself or any of the other children in your presence?

Mr. Smith: Just a minute. I will ask first you get the information about where the conversation was held, who was present, and so forth.

Mr. Lorenzo: All right.

Q. You say that this matter was talked about between 1915 and 1926; you have stated that it was talked about, haven't you?

A Yes, sir.

Q. Where?

A. Well, it was generally always spoken of in our home.

Q. And on any one occasion that you remember, who was present?

A. Well, my father generally discussed it between the family when we were all together—my mother and my brothers.

Q. At any of the conversations when this matter was talked about, was any one of the children absent, that you remember?

A. No, not that I remember.

Q. State whether or not it is your best recollection now that when the matter was talked about that all the children were present?

A. Yes, sir.

Q. And you say it was in the home?

A. Yes, sir.

Q. What was the substance of the discussion that came up from time to time?

Mr. Smith: I will object to that, unless there is a proper foundation laid—the time and place of it, and who was present. That is not competent unless she fixes the time and place and who was present.

The Court: She may answer.

Mr. Smith: I will also object on the further ground that it is incompetent, irrelevant and immaterial, as tending to vary the time and place, attempting to create an interest in lands under parol testimony, and for the other objection I just mentioned.

The Court: This is all received subject to your objection, all of this line of evidence.

Mr. Smith: Then I will make no more objections.

The Court: Go ahead.

Q. (By Mr. Lorenzo) Will you please state, as near as you can remember, the substance of the talk that went on at your home on any occasion between 1915 and 1926, with respect to this real estate arrangement?

A. Well, generally, when Father was going to buy a piece of property he would speak of it and discuss it with Mother and my brothers and talk with myself in the evenings when we were sitting together, and he would say, "I will take it in my name or Mother's name. It's more convenient, and later on when you are older I'll put the names all together on the property as we agreed upon."

Q. What did you do towards carrying out your part of the agreement that was made in 1901?

A. Well, I did a little of everything—part of the home work, and work that my father asked me to do, to go out and take care of some of the tenants for him, and if there had to be matters tended to from time to time he would send me on them, and I was helpful as much as I could.

Q. Did you have anything to do with keeping the records and books and write letters?

A. Yes, I kept some of them.

Q. And as to the other children, state what they did and for what length of time.

A. Well, my sisters did practically the same as I did, and my brothers worked with my father—any work that the property required.

Q. How long did your brothers continue to carry out that plan?

Mr. Smith: I will object to that, Your Honor. This witness is not competent to testify as to her brothers.

The Court: Objection sustained, as to that form.

Q. (By Mr. Lorenzo) Do you know how long John worked with the properties, or in connection with the properties?

Mr. Smith: I will object to that, your Honor, as being incompetent, irrelevant and immaterial. She is not competent to testify to that. It isn't the best evidence.

The Court: If she knows.

A. Ever since I know, he has been able to work with the family, from little on. We have all done the same, at present, today.

Q. How long did he continue, if you know? First, do you know how long John continued to do the work?

A. Well, we—

Mr. Smith: Your Honor, I object to it. John can speak for himself as to what he did. This witness is not competent to testify what John did.

The Court: The difficulty is, it is so general and vague and indefinite that it isn't of any value to the Court.

Mr. Lorenzo: It is offered, your Honor, I might explain—

The Court: You don't need to explain it. That is obvious. "How long did John continue to work?" That doesn't mean anything. What did he do?

Q. (By Mr. Lorenzo) Do you know how long John was identified with the—

The Court: Objection sustained.

Q. What did John do in connection with the properties?

A. Well, he would take charge of renting, getting tenants, and taking care—if there was tenants had to be put out, or collecting rents, and so forth, he would go out and do that, and in general whatever he could do for the business, he did.

Q. For how many years did he do that?

A. Well, he did that—well, I know right after we were out of the grocery business—he worked in the grocery business with Father—and after the grocery business he went into the real estate and building with my father, the same as all the rest of the boys.

Q. How long did he continue to do that?

A. From the time we went out of the grocery store, up to the present time.

Q. And do you know how long Fred worked in connection with the properties?

A. Fred did the same.

Q. The same periods of time?

A. Yes, sir.

Q. As to your brother, Rheine?

A. The same, ever since he has been able to work.

Q. Do you know what this paper, Exhibit A, is?

A. Yes, sir.

Q. Have you seen it before?

A. Yes, sir.

Q. It has been identified here as being a deed that your mother made of these properties.

A. Yes, sir.

Q. The stipulation refers to six pieces of property as being under land contract at the time of your father's death in May 1926. Have you examined this stipulation, and have you familiarized yourself with the parcels that represents?

A. Yes, sir.

Q. Have you made a memo?

A. Yes, I have.

Q. Of the land contract properties that still are in this group?

A. Yes, sir.

Q. The first one that is mentioned here is 2A.

Mr. Smith: Your Honor, I am going to object to any testimony tending to vary the terms of the stipulation. The stipulation was entered into after full investigation and knowledge on the part of other officers for the Federal Government and Treasury Department. Now he is going to controvert that entirely, and I shall object to any evidence that controverts the facts agreed to in the stipulation.

The Court: Are you proposing to make any change?

Mr. Lorenzo: No, your Honor.

The Court: You are not running counter to the stipulated facts?

Mr. Lorenzo: There is nothing counter to what is in this stipulation. It is only an explanation of that.

The Court: Well, that is all right. This is all subject to the same objection. It all goes to the very meat of it, as to whether or not this sort of an arrangement can be created in the manner in which it was created, and also as to whether or not it will run against the tax.

Mr. Smith: Correct.

The Court: Go ahead.

Q. (By Mr. Lorenzo) Parcel 2A, Miss Paul, is 412-14 Elizabeth Street. It is identified as being that property.

A. Yes, sir.

Q. What was the purchase price of that property, the original purchase price, under the land contract?

A. Thirteen thousand dollars.

Mr. Smith: I will object, as incompetent, irrelevant, and immaterial. It has nothing to do with the issues in this case.

The Court: What do you claim to this?

Mr. Lorenzo: The interest of the deceased, your Honor, at the time of his death, would be, I believe, the limit that the tax could apply on, so that if at the time of the death of the deceased there was an unpaid balance on the contract, and we paid off the balance of the contract, we have an equity, and that, I think, should protect it.

The Court: Don't the stipulated facts take care of that? In other words, I am assuming from what Counsel said, that at the time of the death, when the taxes came due, that the decedant only had an interest as a vendee in the land contract, or a vendor?

Mr. Lorenzo: Vendee.

The Court: Vendee, and then subsequently thereto these children paid up the balance due on the contract. Of course, it would only apply to the decedant's interest, wouldn't it?

Mr. Smith: The Government doesn't claim, your Honor, that they have an lien against any interest other than deceased's legal interests as of that time.

The Court: He wants to show the interest of the decedant at the time of his death. Have you agreed on the amount due? He purchased it for how much on contract?

Mr. Lorenzo: $32,500.00.

The Court: And how much had he paid down?

Mr. Lorenzo: At the time of his death there was a balance of $17,500.

The Court: Just about half—over half. Isn't that sufficient?

Mr. Lorenzo: There are four of the parcels that are enumerated in the stipulation that we have the figure for.

The Court: If this claim can be maintained against this tax, or if this claim can be maintained against the estate by the Government, why it only applies to the decedant's interest in that particular property.

Mr. Smith: That is correct.

The Court: Then let it stand then. These are all under land contracts?

Mr. Lorenzo: Yes.

The Court: All right, identify it. Where is it? Just give me the street, wherever it is.

Mr. Lorenzo: 2A is 412-14 Elizabeth Street.

The Court: Now give us another.

Mr. Lorenzo: Parcel 21 is 2018-2022 Beaubien Street.

What was the purchase price of that under the land contract?

A. Eighty-five hundred dollars.

Mr. Smith: Let me object to that as not being the best evidence. If there is going to be any theory, then it is the contract. We've got no way to meet him when he comes in here on a situation like this and says so much is due.

The Court: He has the contract right there.

Mr. Smith: If she is going to claim an interest she has got to show how much she paid.

The Court: They are entitled to know what this Government has claimed. The Government made a claim against him, and when he paid that he didn't have much of an interest in any of that property.

Mr. Smith: Certainly, he can show that by the stipulated facts, that entire stipulation.

The Court: When are they going to prove his interest?

Mr. Smith: Whose?

The Court: The decedant's interest in this estate.

Mr. Smith: That is covered by the stipulation.

The Court: Does it say in the amount?

Mr. Smith: It says he owned and held.

The Court: Give me an illustration of what the facts show.

Mr. Smith: "That at the time of death, John P. Paul, together with his wife, Lena Paul, owned and held land contract", covered by 235 and 36, as admitted in the Bill of Complaint.

The Court: Does that show what the decedant's interest was in the property?

Mr. Smith: Your Honor, a vendee of the land contract—

The Court: There is no question about that.

Mr. Smith: He has a legal title to it.

The Court: What does the Government base its tax on?

Mr. Smith: We are not basing it on the valuation, we are basing it on the property as a whole.

The Court: You must have some valuation upon which you can base a tax.

Mr. Smith: In this lawsuit, the value is not in dispute.

The Court: I want to know how you base the tax on that property.

Mr. Smith: On the appraised value of the estate at the time of his death, the entire estate.

The Court: That is, his interest in that piece of property?

Mr. Smith: Yes, but we can't appraise each one of these parcels at one time. The government appraises that estate as a whole, and on that they fix a tax, and there is nothing in this lawsuit to dispute the amount of the tax.

The Court: In other words, you claim that it absolutely makes no difference as to the amount at all?

Mr. Smith: Not in this lawsuit.

The Court: You can't arbitrarily assess a tax against a man's estate, if he has a land contract on the property worth

thirty thousand dollars and he has only paid a thousand dollars down on it.

Mr. Smith: I agree, your Honor. We have got to fix a tax based upon valuation, under the Statute.

The Court: Who fixed the value?

Mr. Smith: The Commissioner of Internal Revenue.

The Court: Has he fixed a valid appraisal there?

Mr. Smith: Yes, and the taxes levied there. There is nothing in this lawsuit about the amount of the taxes.

Mr. Lorenzo: All the Tax Board did, they fixed the gross amount of the tax. Now, in following up their attempt to collect the taxes they placed liens against each parcel. Their lien necessarily must be limited to the amount of the interest of the taxpayers.

The Court: I know, but the difficulty is, they are bringing foreclosures now.

Mr. Smith: That is right. Your lawsuit to find out how much they owed the Government has been tried.

Mr. Lorenzo: We don't dispute the amount of the tax.

The Court: There is no dispute in the amount then. You had better leave this out. There is no dispute of the amount at all, so just leave this out. You are raising the legal question here, as I understand this thing—this thing has been running here for a year or two—you are making the claim here that there is no tax which can legally be levied against this estate because of the fact that there was an arrangement between this old gentleman and his children by which they sought to create a sort of a partnership arrangement, a community interest, whereby they were all in together over all this real estate. They were all joint owners, and that in pursuance to that arrangement it was understood that title would be in the old gentleman and his wife's name, according to your claim, and that ultimately, sometime, it would be fixed in the names of all the parties. Now, the question arises as to whether or not that can be done legally, and the effect of

that evidence is sufficient to create a trust estate, or to create an estate held jointly by all of these parties and a defense against the claim of the Government in undertaking to assert its lien upon this property. That is all you have got here.

Mr. Lorenzo: Yes, and as to these four parcels, your Honor, I think we stand in the same position.

The Court: That doesn't make any difference. It applies to all the property.

Mr. Lorenzo: We paid the balance of the contracts. We don't attack the amount of the tax.

The Court: Who do you mean?

Mr. Lorenzo: These children.

The Court: If you are going in the appraisal made by the Government, I assume there is an itemized appraisal here in this lawsuit?

Mr. Smith: Not in this lawsuit, your Honor.

The Court: Is there an itemized claim as to the tax levied?

Mr. Smith: There was one tax levied against the estate of John P. Paul.

The Court: Do you mean the Internal Revenue Commissioner simply says, one thousand dollars for tax on this or that, and the tax as to this particular property would be so much and as to this it would be so much, and the sum total is so much. Is that the way it was arranged?

Mr. Smith: No, the deceased files a return, listing all of the assets of the estate of John P. Paul. These properties were not listed. The Commissioner then comes out and makes an investigation or audit of the estate tax return. Now, after he makes an audit then he finds these numbers of parcels or real property held by John P. Paul and Lena Paul, his wife, that the Supreme Court has held should be included in the gross estate. Now, a value is fixed upon all the property, then it is added up to its total sum. It is about forty-one thousand dollars, I think, at the present time.

Mr. Lorenzo: That is the balance. We paid $3450.00.

The Court: What do you claim is the approximate value of the estate here?

Mr. Smith: I haven't got those figures. Three or four hundred thousand dollars.

The Court: And the tax, you say, was around forty-three thousand dollars now?

Mr. Smith: I think thirty-four was the assessed deficiency.

Mr. Lorenzo: Twenty-three thousand some dollars, and the balance and penalties and interest. It brings it up to about forty-two thousand dollars.

Mr. Lorenzo: Objection was made this morning to my pursuing this land contract situation. What may I do, your Honor? I desire to go on with the contract to show the balance as of the date of the deceased's death.

The Court: Well, if what the Government states is true, there might be some doubt as to whether you could show what the tax should be.

Mr. Lorenzo: I am not attacking the amount of the tax, your Honor, merely as a mortgagee would show the amount of the mortgagee's claim. I feel that we would be forced into the position that the vendor might take if he were here.

The Court: Unless you stipulate upon the record that he is interested, these several properties that you have mentioned, six of them, are the interests of the vendees or vendee in the land contract.

Mr. Lorenzo: As of the date of the death of the ancestor we feel, your Honor, that after the death of the ancestor, the children having paid the balance in the contract, that that equity created should be entitled to assert the same claim that the vendor might assert.

The Court: That is a different matter. I don't know about that. In case you stipulate what interest he has in those six contracts, what the base of the contract was and how much

was paid upon it, I don't think the Government would challenge that.

Mr. Lorenzo: Can we do that?

Mr. Smith: I would have no authority to stipulate in open Court now. If it is important, we could have officers of the Government go out and investigate.

The Court: Identify the property, the amount of the contract, who the vendee is, and the amount paid so that will show what the interest is.

Mr. Smith: Let me get my objection on the record, your Honor. I will object to that on the ground as immaterial what the vendee's interest was or is at the present time. The interest that the Government has is the lien upon whatever interest the estate had at the time of the death of the deceased. Now, if there had been a mortgage on there that was prior to the Government's claim, if that mortgage was subsequently paid, then the whole property becomes subject to the Government's lien. In other words, this is no different than a mortgage, if a mortgage was on the property.

The Court: Their theory is that they had an agreement which they claim was made between the father and mother and all the children in which they claim an interest in this property, and assuming that, they claim their interest is prior to, or it doesn't apply to the old estate—only the interest they had in the joint estate held by their agreement. I am allowing him to make his record.

Mr. Smith: Yes.

NETTIE PAUL, having been previously sworn, resumed the stand, was examined and testified further as follows:

Direct Examination

By Mr. Lorenzo: (Continued)

Q. Parcel 21 is 2018-2022 Beabien, Mrs. Paul. What was the purchase price of that property?

Mr. Smith: I will object to that, your Honor. The contract speaks for itself on that.

The Court: Yes.

Q. Have you the contract? That has been marked Exhibit C.

The Court: You may read the contract, the amount to be paid, the purchase price, and the amount that was paid on it.

Mr. Lorenzo: I offer Exhibit C in evidence.

Mr. Smith: I will object to it, your Honor, as being incompetent, irrelevant and immaterial, having nothing to do with the issues of this lawsuit.

The Court: It may be received for the purpose of showing the consideration of the contract and the amount paid down.

(Thereupon, the document previously marked Exhibit C was received in evidence.)

Mr. Lorenzo: The purchase price is mentioned as $8,500.00. That is dated July 14, 1914.

The Court: How much was paid down on the contract?

Mr. Lorenzo: The balance due on January 14, 1926 was $2,750.00.

The Court: What was the date of his death?

Mr. Lorenzo: May 5, 1926.

The Court: All right.

Q. (By Mr. Lorenzo) The next payment after January 1926 was July 14, 1926, Parcel 25 is 1336 Alfred. Have you the land contract?

A. Yes, sir.

Mr. Lorenzo: Here we have a series of records of payments, your Honor. The contract itself is not here.

Q. Have you looked for that contract?

A. Yes, I have.

Q. Do you know what has become of it?

A. No, I don't.

Q. Do you know what the purchase price was, from your recollection?

A. Five thousand dollars.

Q. And have you a record of what the balance due was on the contract as of May—

Mr. Smith: I will object to that testimony, your Honor, as being incompetent, irrelevant and immaterial and not the best evidence, as not having anything to do with the issues in this lawsuit. It can't affect the tax involved; not properly identified.

The Court: Who is in possession of the property?

Q. (By Mr. Lorenzo) Who is in possession of that property now, at 1336 Alfred?

A. My brother has been.

Q. You children?

A. Yes, sir.

Q. What was the balance due on that contract on the date that your father died?

A. $1726.96.

Mr. Smith: I will object to that on the same ground.

The Court: Subject to your objection; go ahead.

A. $1726.966.

Q. (By Mr. Lorenzo) The next parcel is No. 36, that is 1343-48 Cherry.

A. That was $7,500.00.

Q. No. Have you the contract?

A. Yes, sir.

(Thereupon, a document was marked Defendant's Exhibit D by the reporter.)

Q. Is Exhibit D the contract covering the Cherry Street property?

A. Yes, sir.

Mr. Lorenzo: I offer Exhibit D.

Mr. Smith: I will object to this, your Honor, as being incompetent, irrelevant and immaterial, having nothing to do with any of the issues of this particular lawsuit, as not being properly identified, as not being the best evidence.

The Court: Is that a contract?

Mr. Smith: Yes, sir.

The Court: Executed by the parties?

Mr. Smith: Not by this party, no, sir. It is a contract.

The Court: You made an objection as not being the best evidence.

Mr. Smith: Yes. This is not the best evidence as to how much was paid on the contract at the time. She is not the party to make that.

The Court: What does the record show on the contract?

Mr. Smith: This contract is signed, "Mary E. Brainard, and John D. Albert." It isn't between any of the parties in this lawsuit.

The Court: Has it been assigned?

Mr. Smith: I don't see any.

Mr. Lorenzo: That is the assignment there.

Mr. Smith: There seems to be an assignment attached to it. There is an assignment dated November 28, 1923, Union Trust Company as Administrator of the Estate of J. A. Albert to John P. Paul and Lena P. Paul, purported to be signed by Union Guardian Trust Company. There has been no identification of signatures on that instrument in any way.

The Court: She may state the amount of it and the amount of the interest as of the date of his death.

Q. (By Mr. Lorenzo) What is the purchase price of this property?

A. $7,500.00.

Q. And on the date of your father's death, what was the balance due on that contract?

A. $1,900.00.

Q. Is there any difference in the amount of the purchase price that is due as of this date?

A. No, sir.

Q. That still remains unpaid, the same amount?

A. Yes, sir.

Q. Did you know an attorney by the name of E. A. Fink?

A. Yes, sir.

Q. With reference to the time of the death of your mother in February 1931, state whether or not you were at Mr. Fink's office with anyone?

A. Yes, sir.

Q. Prior to that?

A. Yes, sir.

Q. And with whom?

A. My mother.

Q. And when, prior to February 1931?

A. That was in the latter part of the summer of 1930.

Q. State whether or not you knew the purpose for which your mother went to Mr. Fink's office?

Mr. Smith: I will object to that, your Honor, as to what her mother's purpose was, incompetent, irrelevant and immaterial.

Q. From anything that your mother said.

The Court: Is that the day she executed that?

Mr. Lorenzo: No, that was the occasion in the summer of 1930, some several months before she died, along the same lines that the other children testified to, that the attorney was instructed to prepare a deed, which was finally done in February.

The Court: What is the purpose of this interview then? To show what her mother said?

Mr. Lorenzo: Yes, the reason that this deed was arranged for in the summer of 1930 and repeated again in February of 1931.

The Court: All right, go ahead.

Mr. Smith: Your Honor, I will object to that. I submit no statement of any kind can have any bearing whatsoever on the issues of this lawsuit. It is the right of the Government under the statute—

The Court: I don't disagree with you, but I will allow it on this record.

Q. (By Mr. Lorenzo) What transpired at Mr. Fink's office in your presence, with reference to these properties?

A. Why, my mother asked Mr. Fink if he would draw up a deed for her and convey it so that she could have all the childrens' names placed in this deed with hers, as it was her wish, and my father had made that agreement years before, and it had never been carried out and she wanted to do it at that time.

Q. When was the next time after that that you saw Mr. Fink?

A. Mr. Fink had taken sick in the meantime and hadn't done anything about it, and I think it was along in the first part of February of 1931 he called at the home to ask mother if she had any of that matter taken care of about having the papers made out, and she said no, and she asked him if he would do it, and he said yes, he would prepare the papers or draw them up.

Q. Do you know whether or not he did prepare the paper?

A. Yes, he did.

Q. Did he come back to your home then?

A. Yes, sir.

Q. This Exhibit A, which has been identified as the deed of Mr. Fink prepared, were you present when Mr. Fink brought the deed to the house?

A. Yes, sir.

Q. Is that the paper? Is that the deed?

A. Yes, sir.

Q. And were you there when it was executed by your mother?

A. Yes, sir.

Q. What was the general condition of your mother's health in the summer of 1930?

Mr. Smith: I object to that, your Honor, as being incompetent, irrelevant, and immaterial, having nothing to do with this lawsuit. She is not qualified as an expert.

The Court: Objection sustained.

Q. What was your mother's general condition of health when Mr. Fink came to your house in the early part of February 1931?

A. She was well.

Mr. Smith: Same objection.

The Court: Is that the day it was executed?

Mr. Lorenzo: A few days before.

The Court: Same ruling; objection sustained.

Q. What was the condition of your mother's health on the 13th of February, 1931, when she signed this deed?

A. She was well.

Mr. Smith: Same objection.

The Court: The answer may stand.

Q. How long was your mother ill before her death?

A. About three days.

Mr. Smith: I will object to this, your Honor. This has nothing to do with the issues in this lawsuit.

The Court: What do you claim for this?

Mr. Lorenzo: To show, your Honor, that it wasn't in contemplation of death but to bear on the claim that we made.

The Court: How long was this deed executed before her death?

Mr. Lorenzo: Five days.

The Court: Is that it?

The Witness: Yes, sir.

The Court: She died five days after she executed this deed?

A. Yes, sir.

Mr. Smith: Did your Honor sustain my objection?

The Court: I will allow this to stand, the date of her death.

Mr. Smith: I mean so far as the condition of her mother's health. She didn't examine her mother, she didn't know whether she was suffering from heart trouble or anything else.

The Court: We will just simply say it doesn't make any difference. Go ahead.

Q. (By Mr. Lorenzo) What, so far as you are aware, did your mother die of?

Mr. Smith: I object to that—

A. Pneumonia.

Mr. Smith: —incompetent, irrelevant, and immaterial, hearsay testimony.

Mr. Lorenzo: Of course, it isn't an issue in the case.

The Court: Then leave it out. Go ahead, put another question.

Q. (By Mr. Lorenzo) Where did your mother go a day or two after this deed was signed, this Exhibit A?

A. She went to the Shriner's Circus.

Mr. Smith: I object to that. Same objection.

Q. After she had attended the Shrine Circus, what appeared to be her condition of health?

Mr. Smith: I object to that, your Honor.

The Court: Objection sustained.

Mr. Lorenzo: Take the witness.

Mr. Smith: I want the record to show I am not waiving any of my objections or reservations by cross examination.

Cross Examination

By Mr. Smith:

Q. Miss Paul, where was this conversation in 1901 held?

A. At our home.

Q. And who was present?

A. The family, my brothers and sisters and my father.

Q. Will you give me the names and the ages of your brothers and sisters who were present at that conversation?

A. The youngest was seven, Charles.

Q. Who was that?

A. Charles.

Q. Charles was seven.

A. Amelia was about eleven or twelve, and Riney was about fourteen and I was about sixteen.

Q. Your name is Nettie?

A. Yes, sir.

Q. Sixteen.

A. And my brother, Fred, I think he was about eighteen.

Q. Fred was eighteen?

A. Yes, sir. And John was about twenty.

Q. John was twenty.

A. Twenty, I believe.

Q. So all six children were under twenty-one years of age at the time of this conversation in 1901?

A. Yes, sir.

Q. And this is the contract under which you are claiming you got an interest in property at that time?

A. Yes, sir.

Q. Now, tell me what was said at that conversation at that time? First, how did you happen to be together?

A. Well, just—we were always working together.

Q. Just casual, all together in the evening. Your father didn't call a special conference or anything?

A. No. The question came up—we had just recently sold out the grocery store, and some of my brothers were going

away, and I was there myself, and father said if they would all remain together he would make them as a partner with the entire property.

Q. He would make them a partner?

A. We would all be together and share equal with him when the youngest one became of age.

Q. Why then he would make them all partners?

A. Yes, sir, and have their name added to the partners.

Q. More or less of a promise from him that that is what he would do if you remained together?

A. Yes, sir.

Q. How many of the boys worked in the grocery store at that time?

A. The two oldest ones.

Q. Fred and John had been working in the grocery store?

A. Yes, sir.

Q. None of the rest of you had been working in the grocery store?

A. Yes, sir, I did, and Brother Riney did.

Q. So you were all more or less out of jobs and the conversation came up as to whether you would get a job some place else, is that right?

A. Yes, sir.

Q. And your father wanted the family to stay together?

A. Yes, sir.

Q. He said, "We will all stay together, and one of these days, after you become twenty-one or more we will all become partners"?

A. Yes, sir.

Q. Now, what did Charles, who was seven years old, say to that?

A. I don't remember.

Q. As a matter of fact, he didn't even comprehend what was going on, at seven years of age?

A. No.

Q. And Amelia was eleven years of age—she didn't know much more. Anything her father said to her was law, wasn't it?

A. Well, we all knew what he said, he would do, or whatever he promised us he would do.

Q. And whatever he said, why of course, being a minor and still subject to his control and jurisdiction you would have done anyway, you didn't have any alternative at that time, did you?

A. In what way?

Q. Well, you didn't want to leave home. You were only sixteen. If he wanted you to stay with the family, that is what you would do?

A. If there was something better for us to do, we could have done that. He left it up to each one of us. We were perfectly willing to stay with him. The property was ours at that time as well as his, only it was more convenient to have it in his and mother's name.

Q. At the time you were sixteen years old you had no plans of leaving home and getting a job, did you?

A. Well, I worked very hard.

Q. At that time, in 1901, when you were sixteen you had no plans of going out and getting a job, did you?

A. I could have at that time.

Q. Did you have any plans to do that at that time?

A. Well, I had been working up to the present time and I was waiting at that time.

Q. When you were sixteen years old in 1901, did you have any plans for going out and getting a job, or leaving home?

A. Yes, I had then.

Q. Did you have any plans to go, to leave home?

A. No, not at that definite time. I was willing to do all I had to do at home first if there was something for me to do, and if there wasn't, I was willing to go out and take any job.

Q. But you had no plans on going out, leaving home? Nobody had offered you a job some place else?

A. I had no offers.

Q. Did your father say what would happen in case five or six or ten years from then one of the family decided to go out and get a job some place else?

A. No, sir.

Q. Nothing was said about it?

A. No, sir.

Q. That contingency wasn't provided for at that time?

A. We were under the impression that we were—

Q. I don't want your impression—I want what was said. Did your father say at that time what would happen in case one of the boys decided he wanted to get a job?

A. No.

Q. Did your father say whether all of the children would share equally in case one of the boys decided to take a job with an outside party and leave the family circle? Did he say anything about that?

A. Yes, sir. He said it would all remain in the children's name.

Q. Did he say that because the family were all working and staying together, or would that be true regardless of any further contingency?

A. Well, he knew that we would all stay together.

Q. No, I want what he said—not what he knew. Did your father say at that time whether or not one of the boys would still share equally with the other boys even though he left the family fold and went out and got a job with someone else?

A. No.

Q. He didn't say that?

A. No.

Q. And was this contingency spoken of? Suppose John or Fred had continued to work for the next twenty years with your father, helping him build up his estate, and assuming

Rheine got a job working for, say, the General Motors Corporation, and they agreed to pay him a thousand dollars a month for his work, did your father say whether or not Rheine would share equally with Fred and John in that case that contingency happened?

A. He didn't mention it, but we knew he would.

Q. Well, you didn't know what was in his mind. I am just asking what he said. I ask that be stricken as not being responsive. Was that contingency spoken of at that meeting?

A. There was nothing said about the children leaving.

Q. But you think yourself if Rheine had gone and got a job with General Motors he would have shared equally?

A. Yes.

Q. And suppose Charles had gone out with, say, Chrysler Corporation and gotten a job, would he have shared equally with Fred and John?

A. Yes, sir.

Q. So all the children were going to share equally, regardless of what they did?

A. Yes, sir.

Q. And even though they didn't continue to work with your father, they were still going to share equally?

A. Because they all had started to work with him.

Q. When they got to be twenty-one then he would transfer the property to them?

A. He would at that time place the names on the property with he and my mother.

Q. Now, was any agreement ever in writing executed by your father whereby he transferred any interest in this property to any of the children?

A. No.

Q. Never did. Now, how old was Charles at the time of your father's death?

A. I think Charles was seven—no, at Father's death, he was, I think twenty-six.

Q. He was the youngest one, Charles?

A. Yes, sir.

Q. So five years had elapsed since the youngest had reached the age of twenty-one and still he hadn't placed this property in the names of the children?

A. No, sir.

Q. Altogether, twenty-five years had elapsed between 1901 and the date of his death and he had made no effort whatever to transfer any of this property into the children's name?

A. No, but he spoke of it many times.

Q. But he never did anything about it. He always kept it in his name and in his wife's?

A. He always said it was more convenient.

Q. Just answer the question please. He always said it was more convenient to keep it in the name of his wife after 1901?

A. Yes, sir.

Q. And that is the date by which you allege the contract was created by which you got an interest in the property?

A. Yes, sir.

Q. Do you know how much property your father had at that time?

A. In 1901 I think he had about five or six pieces.

Mr. Smith: I think that is all.

Redirect Examination

By Mr. Lorenzo:

Q. How many were there when he died?

A. Between seventy and eighty.

Mr. Lorenzo: That is all.

(Witness excused.)

Mr. Smith: Your Honor, I would like for the record to show that the substance of this witness' testimony which the stenographer took down in the record was in substance and effect a corroboration of the testimony given by the three previous witnesses. That is a true statement?

Mr. Lorenzo: Yes.

Mr. Smith: So the general effect of the conversation was all the same.

Mr. Lorenzo: Yes.

Mr. Smith: Now, I make a motion to strike the testimony of all the witnesses and all the exhibits as being incompetent, irrelevant, and immaterial, as having nothing to do with the issues in this suit, as being an attempt to create an interest in lands by oral testimony, contrary to the Statute of the State of Michigan.

The Court: I suppose counsel will want to file a brief on this situation.

Mr. Smith: The difficulty is this, your Honor. We have filed our brief. This all has arisen since the Government has filed the brief, and I would like to have my motion on the record to strike all this testimony on the ground it attempts to create an interest in lands by parol testimony as against the Statute of the State of Michigan, the Statute of Frauds, as having no effect whatever upon the Government's tax lien, and having nothing to do with the issues presented by the pleadings in the cause.

The Court: Did the bank want to be heard?

Mr. Smith: The bank secured permission for thirty days to file findings and conclusions of law, which your Honor granted them.

The Court: How much time do you want to file a brief?

Mr. Lorenzo: About thirty days, your Honor. That would be about the time the bank has asked—maybe a few days more.

The Court: They are filing proposed findings of fact. Well, all right.

Mr. Smith: Your Honor, we have filed our brief. We were given thirty days in which to file a brief. We have received a brief from the City of Detroit Bank, from the County of Wayne, and one other. May I have the record show that these other three witness' testimony, which is substantially the same as this, is only corroborative, and that we at that time, when the record wasn't made, made the same objection to the testimony as we made to this at the time.

(Whereupon, this hearing was adjourned.)

I HEREBY CERTIFY that the foregoing was taken down by me in shorthand at the time and place hereinbefore set forth, and thereafter reduced to transcript form, and that the foregoing is a true, full and correct transcript thereof.

R. FOREST BRENNER

PROCEEDINGS ON MOTION TO SETTLE A DECREE, heard before The Honorable Edward J. Moinet, United States District Court Judge, December 9, 1940, commencing at about the hour of 10:00 o'clock A.M.

APPEARANCES:

APPEARANCES:

Mr. Carl Marold, United States Attorney;

Mr. Charles Lorenzo, Attorney for the Defendants, John W. Paul, Frederick P. Paul, Ruby H. Paul, Nettie B. Paul, Riney T. Paul, and Amelia L. Paul;

Mr. Edward Reid, Attorney for the Detroit Bank, Defendant.

Mr. Marold: Your Honor, this comes up upon motion to settle a decree.

As you will recall, this is a matter wherein the Government is foreclosing a lien for estate taxes, against the estate of John P. Paul, who died in 1926. It was submitted on stipulation some time ago, and last August, your Honor decided the case and entered findings of fact and conclusions of law and directed us to enter a decree in accordance with the motion for the settlement of the decree.

The Court: Whom do you represent?

Mr. Marold: The United States, your Honor.

The Court: Your name?

Mr. Marold: Carl Marold, The United States Attorney is the attorney of record. I am appearing for him.

As you will recall, your Honor, the Court decided in this case that the Government lien for estate taxes arose in May of 1926, on the date of the death of the decedent, and it was therefore superior to the lien of certain mortgages that were put on the property after the date of his death, and also superior to the lien of the State and County and the City for real estate taxes, which arose after the date of the death, and you held that the Federal lien was inferior to the lien of certain

mortgages that were executed on some of this property prior to the date of the decedent's death.

Now, you ordered, or suggested that a sale should be held, that those parcels that the Government had prior lien upon, providing that the assets should be marshalled, so that the clear properties, those not mortgaged, should be sold first, and only if they were not enough to satisfy the Government's lien, and then that we should resort to the mortgaged property.

Now, before I present that decree, there are two or three small errors that arose, that I should like to have straightened out. They were incorporated in our stipulation, and in the Complaint, and hence found their way into the findings of fact.

First, in Parcel No. 5, which was described in the complaint —we described that parcel as Lot No. 67 to 69 inclusive, of Williams Subdivision. It has been called to my attention that Lot No. 69 of those three that we named there, was not a part of the estate of John P. Paul, but was owned by his daughter, Nettie Paul, and had been owned by her for some time, and we therefore, erroneously included that.

I have a stipulation signed by the attorneys for the Pauls and by the United States Attorney setting up that the parcel was wrongfully included when we stated that it was a part of Parcel 5, and ask the Court to have, or find that it was owned by Nettie Paul, and not by the decedent, John P. Paul, and that the United States has no lien upon the property, and an order in accordance with that stipulation.

The Court: Any objection to this on the part of the other attorneys here, or don't you know anything about it?

Mr. Reid: No objection, your Honor.

Mr. Marold: The next thing that calls for a correction here, your Honor—though I do not think it should be the subject of an order—it was a typographical error which appeared in our stipulation, and has also found its way into the findings of fact, where we stipulated that as certain parcels were free and clear of certain mortgages, and that others were subject

to certain mortgages, and we stipulated that Parcel No. 24 was clear, and the Court so found. When we stated about those under the mortgage, when we got to Parcel No. 34, it was mistakenly written into the record as No. 24. It is, however, Parcel No. 34 that is subject to mortgage, which mortgage, incidentally, was ahead of the Government, since it was prior to the time of the death, and I don't believe that the attorney, Mr. Wendell Brown—I called him about it and he said to make the change, but he couldn't be here with us this morning, and if that could be made without an order, he would like to have the findings and the stipulation changed to write in the number "4" instead of the number "3" there.

The Court: What paragraph should that appear in, in the findings?

Mr. Marold: That appears in the findings on Page No. 7.

The Court: Parcel No. 23 should be changed to Parcel No. 24?

Mr. Marold: On Page 7, where we have Parcel No. 29, of the findings of fact. The next one says, "No. 24."

The Court: Yes?

Mr. Marold: That should read "34," and it appears right from the findings themselves, because back on Page No. 5, Paragraph 19, we have already found that Parcel No. 24 was unincumbered, and then over in the conclusions of law, which appears on Page 13, Paragraph 8—

The Court: Paragraph 8 on Page 18?

Mr. Marold: Yes, of the findings. Do you have the findings there, your Honor?

The Court: Yes.

Mr. Marold: The findings state that the lien of the plaintiff, United States of America, is inferior and subordinate to mortgages on Parcels Nos. 9, 18, 19.

The Court: I have the conclusions of law on Page No. 13 and there is no,—

Mr. Marold: It is possible that my copy here doesn't ex-

actly jibe with that one that you have. The conclusions of law started on page,—

The Court: Thirteen.

Mr. Marold: Oh, do they? This is No. 12 here. Well, it is conclusion No. 8, as numbered here. Perhaps that will lead you to it.

The Court: Lien of the plaintiff, United States of America, inferior and subordinate mortgages on Parcels Nos. 9, 18, 19, 23, 24?

Mr. Marold: Yes; that 24 should be 34, and that, I think, takes care of the errors that we made when we were stipulating this case.

Now, for the decree; this was originally set, Your Honor, for October 18th, and copies of the decree were served on all of the parties, but it was put over at the request of one of the attorneys until today, and I have made one or two small changes in the decree since we have served those copies.

Those changes are to correct the errors that we have discovered in the findings and on Page 1, as stated, that the United States has a lien on all property except Parcel No. 50 and Lot No. 69.

The Parcel No. 50 was taken out of the case by stipulation of the parties. It turned out that the mortgagee on that property had foreclosed the property before we filed this suit.

The United States had been made a party, but they hadn't set up this claim, and the Wayne County Courts had decided we were out of it, and it was to become final, and your Honor entered an order on December 15th to do so.

The Court: And you want this stricken out of the decree?

Mr. Marold: No, your Honor, I am only explaining that for the purpose of the other gentlemen here who have copies of the decree and had them before the change was made.

Now, the decree—does your Honor care to read that?

The Court: Call my attention to the points that are here.

Mr. Marold: In the first place, the decree sets up prac-

tically what is in your conclusions of law—that the United States has—that there is due from the estate of John P. Paul the sum of $47,313.78. That is with interest figured to date. And that, that lien is on all of the property except those named; that it became effective on May 5th, 1926, and that it is prior and superior to the liens of the State and City and County for real estate taxes on the parcels—I mean, those prior to the liens of mortgages, One, Two, Four, Seven, Eight, Ten, Eleven, Thirty-two, Thirty-eight, and Forty-seven. Those are the liens or mortgages that were after the death of the decedent. It sets up that it is superior to the liens of the City and the County and the State for unpaid real estate taxes, and that it is superior to the claims of any of the Paul heirs, who inherited this property from their father and mother; and it likewise sets up that it is inferior to these other parcels which are at the bottom of the page, to the ones that were mortgaged before the date of the death.

Then it proceeds to order a sale of these properties and it provides the method of sale, as taken from Title No. 28 of the United States Code, Section 749, providing for the publication, and so forth.

Then, it provides the order that they shall be sold and as set up at the bottom of Page No. 3, the clear properties first, and say that they shall be sold in order named, and then it describes them on the following pages.

It then provides on Page 7 that in the event that the sale of these properties do not yield enough to satisfy the claim of the United States, then, and in that event only, the Marshal shall also sell the other parcels, which are the ones that had mortgages on them inferior to our lien, and they are listed and then the descriptions follow.

At the time—these are the descriptions on Page Seven, which are covered by the mortgages represented by counsel here in this proceeding.

Mr. Reid: That is right. By the way, all of these—

The Court: (Interposing) Are they held by the banks?

Mr. Marold: By the banks, yes. As you will recall, your Honor, we stipulated this whole case, except some testimony that was put in by the Pauls, and all of these attorneys are signed up on that stipulation.

The last page provides that in the case sufficient money is realized from the sale of any of these properties to satisfy our liens, that the sale shall be adjourned, and that the matter be covered by further order of the Court, because, according to the information I have, a number of those mortgaged properties are probably valuable enough to pay our lien, and, because, likewise, it will be satisfied before they sell them all. So that when the Marshal gets enough money to pay the lien, he shall stop and apply to the Court for instructions.

The Court: Now, you get down to the question of selling all of this property covered by these various mortgages, which are subsequent to the lien of the Government?

Mr. Marold: Yes, your Honor.

The Court: Suppose one piece of property was sufficient to stand the whole loss? Then the ones who hold that mortgage—that mortgage loses all?

Mr. Marold: I think practically all of those mortgages are held either by the Detroit Bank or the Detroit Trust Company; aren't they, Mr. Reid?

Mr. Reid: Possibly.

The Court: Well, they are held by two different people.

Mr. Marold: I am allowing that controversy, your Honor, and I had to take some method now, if the mortgagees were to change that order or agree between themselves, or present some other angle on it, and it is all right with us.

The Court: If all the lawyers are here—

Mr. Reid: (Interposing) I think there is one that is held by the Receiver, and one by the Union Guardian, and the Detroit Trust Company and all of them made before the death, so they are not going to be sold.

The Court: I will hear you on it when we get around to it.

Mr. Marold: Well, the only other thing that is provided in the decree is that these sales shall be free and clear of all the liens, including the United States Government's, and then there is a final order that the Court shall retain jurisdiction of the case to enter such further orders as may be necessary, because if there is any money over and above this money, there is going to be a controversy, probably, between the State and the City and the County, and I didn't know how to arrange for that at this time.

The Court: All right.

Mr. Marold: The only other thing I have here to offer is the computation of the amount of the judgment. That shows the interest that has accumulated. That shows how that figure was arrived at on the first page, and your Honor, I suggest the entry of the decree.

The Court: You gentlemen wanted a little time, and in view of counsel's for the Government statement here, and what the Government wishes, and so forth, suppose you take some time and you can come in this afternoon if you wish. This is Motion Day and I could hear you at 1:30, or, if you like, I will hear you now.

Mr. Reid: I don't think, your Honor, we need more time now.

The Court: I thought perhaps, it was to be corrected, or some of that kind, and that it takes a long time, but, all right, go ahead.

Mr. Reid: Are you through?

Mr. Marold: Yes.

Mr. Reid: We represent the Detroit Bank and the Detroit Trust Company. We have no objection to the form of the decree, except there are two problems that we have, possibly, and the one that your Honor mentioned.

Now, as I say, we are the principal creditor involved, and while we might—while we might follow the Marshalling theory—

The Court: You mean, debtor?

Mr. Reid: Creditor of the Pauls.

The Court: Oh.

Mr. Reid: Inferior to the United States, but we are a creditor of the Pauls. We might show an equitable doctrine of inverse order of alienation of these mortgages, but I don't think that that would make a great deal of difference to us, because I think there are only two outside of our pieces, and maybe, it is more trouble to work up a system of that sort than it is to just follow through the parcels, particularly as we have some hopes that the free and clear parcels may discharge the Government's debt anyway, without resorting to the incumbered parcels, so that I don't believe we have any particular objection to that.

Then, we have another point, your Honor, and that is that these parcels that were made—or the ones on which mortgages were made, prior to the death of the Pauls, your Honor has provided that the Government has a lien on those parcels, but it is inferior to the lien of those mortgages. Those mortgages have been foreclosed, and their sale, or re-sale is, of course, held up by these proceedings.

Your Honor has not provided for the sale of these properties; obviously, because you think there is no equity in them, and I think the United States agrees that there is no equity in them. It would be greatly beneficial to the owners of those properties if they could be dismissed out of this suit, because they would then be resalable. Also, if this case is appealed, as I believe there is some thought that it will be, it may go on for a long time and these properties will be held up in this proceeding.

The Court: Does the Government have any objection to that?

Mr. Marold: Your Honor, I have no authority to release those. There is a special Statute which provides that the Commissioner may, upon application, release any lien.

The Court: Commissioner?

Mr. Marold: Commissioner of Internal Revenue. Theoretically, we have a lien on those properties.

The Court: You have a lawsuit in this Court, and the Commissioner is not here.

Mr. Marold: I understand that, but theoretically, we have a lien on those properties.

The Court: The mortgages were given prior to the death?

Mr. Marold: That is right, but we have a lien on them. It is probably true, as Mr. Reid stated, that there no equity left above those mortgages, but I am not authorized to come into this Court and waive any liens we may have.

The Court: The only thing I had in mind is this: ultimately, if the Government gets no part of that property except, you say, one lien that you might have on the surplus, or overplus, after the mortgage is foreclosed, and so forth—

Mr. Marold: (Interposing) Yes.

The Court: It seems to me, for the purpose of the record, there should be something on that record, some day, absolutely making that title free and clear—free and clear of that Government lien, or else it is not merchantable.

Mr. Marold: That is right, your Honor, and here is what we have to suggest. If these people will apply to the Commissioner for release of the property, or have him—that is the Commissioner—instruct me to stipulate that those liens be released in this Court proceeding, that will be all right; that calls for an application down there, stating merely that the Court has found that our lien—rather than their lien is ahead of ours, and probably there is no equity left in it. But at this stage of the game, I cannot agree to that, but only to the facts.

Mr. Reid: I think we can safely say that there is no equity left on those parcels after they have been foreclosed and paid

to the banks, so that any equity of the Pauls is gone, and while that is not binding on the Government, I suppose they are parties to that—at least, because—

The Court: Isn't there sufficient there to pay this bill?

Mr. Reid: No doubt of it, enough to pay it.

Mr. Maroid: I think that is probably true, your Honor, but I don't know what they will bring at a forced sale.

Mr. Reid: The Detroit Bank's loans on them is over one hundred thousand dollars. So, at least, you can see that the bank thought they were worth more than that.

The Court: I would say that if they loaned over one hundred thousand dollars on these properties, what we would ordinarily estimate or charge on appraisal, I would say that property, at least, there is one-third more value there yet, and perhaps half that much more. I don't know what their general plan of appraisal is on mortgaged loans, but this certainly isn't the full value of that property by any means.

Mr. Reid: What I mean, is the Government, it seems to me, is keeping us from selling these other properties, over a theoretical value that is not there. It would be more simple to just dismiss them out of the suit, and the Government isn't losing one dollar of any real value.

The Court: The only way I could dispose of it then, would be through petition to the Commissioner, if he is willing to release the lien.

Mr. Reid: And then, come in and apply—

The Court: The only way I could release it is by taking some testimony here. We have to establish values here so that the Court could be satisfied that those mortgages given subsequent to the death, and liable to this fact—that there is sufficient property to pay the Government's claim.

Of course, it is all on foreclosures of the lien, and I don't know what values, or what prices, these properties would bring, but I am assuming that the banks would probably be there to protect their rights and interests.

Mr. Reid: I think that is satisfactory. We might take this up by an application.

The Court: I think so. If you could satisfy Mr. Marold here, that there is plenty of property left, inasmuch as those titles have ripened now, upon foreclosure in the name of the purchaser, I would say that you really ought to expeditiously —they may want to sell these properties to someone, and as it now stands, it cannot be done.

Mr. Marold: I have no inclination to keep that title. But, like with Parcel No. 50, you know they filed an intervening petition and they called our attention to it down at Washington, and we satisfactorily stipulated to let it out of the case, and I can do that if I get authority to do that.

Mr. Reid: We will take the case up privately then; I mean, we will take that up privately.

The Court: If you do finally agree upon it, there should be some order of release entered here. We should have a record here for the Court files.

Mr. Reid: Another point, your Honor, is whether there should be a stay of the sale. The decree permits a sale, I think, within ten days. Your Honor has ruled that the claims of the City of Detroit and the State of Michigan and the County of Wayne are inferior to those of the United States. Your Honor has also required the marshalling of assets and the sale of unincumbered property first. Those unincumbered properties are heavily incumbered with taxes, probably to their full values, at least from the banks' estimates. So it is a very vital factor in the case, whether or not the decision is going to stand, if the City appeals, because if they are, that is, if they are subject to the City taxes, then they will not realize enough to pay this tax. If they are not subject to the City taxes, they probably will realize the tax. Therefore, no outside bidder can possibly bid, pending an appeal. If the United States should offer these properties for sale, in the next ten days, the bank couldn't go over and bid, because they couldn't afford to bid,

not knowing the final outcome of the tax situation—what it is going to be. So it seems to me that it is to the advantage of the United States and the Pauls and all creditors if this sale is held up pending an appeal.

Also, that the most value will be realized for all parties if the law is finally settled, so that bidding isn't chilled.

The Court: What do you say to that?

Mr. Marold: Well, your Honor, I think what he says is true—that if an appeal is filed, that it would destroy our market. There are the new rules of civil procedure and the law has provided the way in which the sale should be stayed. That is, by putting up a bond and filing a notice of appeal, but, frankly, I don't know the law of the City or County or State—whether they have to put up a bond in that case or not, but I think that should be applied for in the regular course. I certainly don't want to go on record as admitting either in this decree or anywhere else, that I expect this decision to be overturned, and so I don't want to agree to a stay, but in case someone else wants to appeal—

Mr. Reid: That may be, if your Honor wants a sale, but I don't think there is anything requiring you to order a sale.

The Court: The only thing I can do is to order a decree and sign it, and whatever subsequent action you want to take within the next ten days will be settled later.

Mr. Reid: All right, sir.

The Court: It seems to me that the total value of the mortgages upon this property, by your clients, is $100,000.00—

Mr. Reid: (Interposing) Yes, your Honor.

The Court: (Continuing) —and the tax here of about $47,000.00, it would seem to me that a proper bond should be filed, and you are not losing anything anyway. If you lose, you have to pay, and if you win, you do not have to pay.

Mr. Reid: That is true.

The Court: I would say that, without your consenting, I will sign the decree, and then within ten days you can take

what procedure you wish. As a matter of fact, the Government has got security for their claims.

Mr. Marold: Yes, I think they have.

The Court: That is the question I will take up in your later parcels. But, I say, without your consenting to this decree at all, there is nothing here indicating that you are—why, I think that unless some other amendments or corrections should be made, I think I will sign the decree.

Mr. Marold: All right, sir.

The Court: And time will begin to run from today.

Mr. Marold: I don't know whether or not the other parties have anything to say.

The Court: Do any of the other counsel present have anything you wish to put to the Court at this time?

Mr. Lorenzo: If the Court please, I represent the Pauls. We, of course, object to the finding of any tax at all, and in regard to the properties that were mortgaged prior to the death of the ancestors, in which we have equity—although some of them may have been foreclosed, we contend that the foreclosure was premature.

The Court: What do you mean by "premature foreclosure of the mortgages?"

Mr. Lorenzo: I understand that they have been foreclosed since the filing of these proceedings. Now, if that is so, we believe that they should have withheld foreclosure.

The Court: There wasn't any restraining order, was there?

Mr. Lorenzo: I believe not.

The Court: There was nothing in this procedure restraining any judgment foreclosure of mortgages. But, nevertheless, they proceeded at their own hazard.

Mr. Lorenzo: We have equities in these properties, and I believe it would be only a matter of equitable inclination toward the Pauls, who are the real losers in this matter, that if the equities were sold first—

The Court: I don't know whether they are or not. You have got a lot of banks here who have a lot of money in there.

Mr. Lorenzo: Well, they have got over one and a half million dollars throughout the property.

The Court: Who?

Mr. Lorenzo: That is, the properties were originally worth a million and a half dollars.

The Court: That is different.

Mr. Lorenzo: Now, of course, the bank will realize its money, I think, so that they will not suffer any loss, and neither will any of these mortgageholders, so the real loser is the Paul family.

I would suggest, if your Honor would consider it, that—there are three groups of properties—that the Court should order first, the sale of the group in which there were mortgages prior to the death of the ancestors.

The Court: You mean, to have them sold first?

Mr. Lorenzo: Yes; then the next equitable group that should be sold is the group that is without mortgage, and then, I think, the third group would be the group—

Mr. Marold: You mean, the Paul property that is not incumbered?

Mr. Lorenzo: Yes.

The Court: That is owned by the Pauls, and was owned by the deceased at the time of the death?

Mr. Lorenzo: Yes.

The Court: How much of that is there?

Mr. Lorenzo: There are 25 parcels without mortgages, 13 that had mortgages at the time of the death of the ancestors, in which we would have equity.

The Court: Why aren't they the first to be sold?

Mr. Lorenzo: According to the proposition given, your Honor, that group will not be sold at all. The group of 13 that had mortgages on them prior to the death of the ancestors.

The Court: I am talking about the properties that the Pauls owned at the time of their deaths; that is, the properties not incumbered, and was not incumbered then.

Mr. Lorenzo: We would like to have that complete the second group.

The Court: I don't know offhand why it wouldn't be the first group. The Government can get its money out of that. It is the Government's claim against the decedent. It has a lien on it prior to these mortgages.

Mr. Lorenzo: But, if your Honor holds back to the prior mortgages, on these properties, we don't get anything out of them. We are going to lose those equities, whatever they are.

The Court: I am not so familiar with all of the complications and factors of these properties. But, it would seem to me this: That any property there owned by the Pauls at the time of their deaths and not incumbered, should be sold first. Those who subsequently loaned money on the property, why, if there isn't sufficient to pay that debt, that would come, at least, next. I don't know in what order they should be, and I am not fixing any order.

Mr. Lorenzo: Of the three groups, we feel that the third group—that is, the group on which the bank loaned money after the death of the ancestors—should be the last to be sold. We subscribe to that, but, nevertheless if we were—

The Court: I haven't fixed any order yet.

Mr. Lorenzo: Then, your decree, or, at least, in the proposed decree, they divide this up into two groups. The first group, the unincumbered property; and the second group, the incumbered property, subsequent to the death of the decedents. That throws out the group of property in which there were mortgages at the time of the ancestors' deaths. We will lose all—of course, I have heard that there are no equities very likely—but, nevertheless, we should be given the benefit of the sale of those equities, and if they realize anything—it may not be necessary to sell all our unincumbered property.

The Court: I wouldn't want to make any definite determination in this decree, because I can readily see where the order of sale is very important. And, not so much as to the particular parties interested, but if you sold two or three pieces of property that were sufficient to pay the Government's claim, why, all the rest of these properties that are liable for the tax won't pay anything.

Mr. Lorenzo: Yes, but—

The Court: Now, I don't know. You will have to figure that out yourselves, or come in here for an order, or something. Of course, on the other hand, the theory is when the Government, or anybody else, upon execution of sale sufficient of the property to pay the debt, that is the end of it, but the difficulty is that usually we sell a group, or one group, and one individual is harmed. I don't know. What do you say?

Mr. Marold: In the first place, your Honor, in your conclusions of law, you have provided for the marshalling of the assets, the selling of the clear properties first, and the subsequent mortgaged property next, and no sale of the others, and I think it is a complete answer to Mr. Lorenzo's suggestion here about their equities—that those properties have been foreclosed.

The Court: Was the redemption period run out?

Mr. Lorenzo: Yes, your Honor.

Mr. Marold: I am not familiar with the period of the redemption time.

The Court: How long ago did they foreclose—within two or three years? They haven't any equity if the period of redemption runs out.

Mr. Lorenzo: But, your Honor, it could interfere with the foreclosures.

The Court: But what is the occasion of it interfering if the heirs haven't any interest in the property?

Mr. Lorenzo: Because they have foreclosed against this tax lien of the Government at a time when it was being asserted

against the properties. Now, I don't think they should be allowed to question the Government claim against the mortgages, even though those mortgages were prior to the death of the ancestors.

The Court: As a matter of rule and equity, the Pauls and the Paul Estate should first pay the Government's claim of any property that they own, and they are liable for this debt.

Certainly, anyone who loaned money on any other pieces of property shouldn't require—or shouldn't be required to pay, unless there wasn't sufficient Paul property to pay the claim.

Mr. Lorenzo: To be sure, your Honor, but then the properties that have been foreclosed are still our properties, or were at the time these proceedings were instituted. Now, why should those mortgage holders, in a measure, be allowed to adjudicate their rights?

The Court: As I understand it then the mortgages have been foreclosed and the period of redemption had expired?

Mr. Lorenzo: Yes.

The Court: What interests have the Pauls got?

Mr. Lorenzo: Well, they had an interest at the time this bill was filed, which was over and above the mortgage, but the mortgage has been foreclosed; in the face of these proceedings.

The Court: I don't know. The courts have never—***

Mr. Lorenzo: What I want to know is, it asked about—(interrupting, inaudible) ***** Now they ask for an injunction to restrain them *** on the properties free and clear on these other previous mortgages held by the bank subsequent to the death and if I am safe in saying, the Government will not be in here to ask this Court to set aside the foreclosure, if that was the only source, they might release their tax, but simply because there happens to be property on the other side of the fence, they know they are safe in realizing, and there is no reason why the Court should permit the Government to the mortgage rights, that were overlooked before, that are now going to be leased to us.

The Court: They are not leased; you have not leased them.

Mr. Lorenzo: Yes.

The Court: As far as the Pauls' interests are concerned, there is nothing there. The only theory upon which the Government could make any claim on that property is they did foreclose, by foreclosure, subject to what portion of this claim of the Government applied to the property.

Mr. Lorenzo: But those equities were assets and those assets were that the Government had a right to have recourse to the mortgages, they arbitrarily foreclosed their mortgages and have taken those assets out of the estate and deprived the Government of the right which they are asking you now to sanction.

The Court: It hasn't been paid out of the estate; Pauls haven't paid it out of the estate. They made the loan on that property to cover the mortgage and the mortgage was not paid when due and the mortgage was foreclosed. What interests have the Pauls got to convey the redemption period?

Mr. Lorenzo: They had an equity in those properties.

The Court: And how much of an equity did they have in dollars and cents?

Mr. Lorenzo: I don't know.

The Court: You mean if they had not foreclosed, they would have an interest in the property?

Mr. Lorenzo: They had at the time of the foreclosure. That was part of the Paul assets; was it?

The Court: That was part of the Pauls' assets; was it?

Mr. Lorenzo: Why shouldn't the Government foreclose this lien on the property as well as the property to which we have title?

The Court: You are complaining now because the Government did not foreclose on your property, is that it?

Mr. Lorenzo: We think it is only a matter of equity to the Government to foreclose on these equities as well. Why should the Government overlook the assets?

The Court: Don't ask me. I don't know. I am not the Government.

Mr. Lorenzo: I ask the Court to order these foreclosures set aside.

The Court: Oh, no.

Mr. Lorenzo: All foreclosures made after the filing of the Bill of Complaint in this suit.

The Court: Why?

Mr. Lorenzo: Order a sale of those equities. The Court could do that.

The Court: I won't enter any such an order.

Mr. Lorenzo: Well, they are assets.

The Court: They were assets, but the assets have been lost.

Mr. Lorenzo: They are not lost yet, unless the Court refuses to interfere with those foreclosures. I think the Court can interfere with those foreclosures.

The Court: How can I interfere with them? No injunction was ever granted restraining them from foreclosing; was there?

Mr. Lorenzo: No.

The Court: That property may be in the hands of two or three different people at this time. I don't know.

Mr. Lorenzo: No.

The Court: All right.

Mr. Reid: I don't think I need to reply to that.

Mr. Witherspoon: I am John Witherspoon, representing the City of Detroit.

The Court: How is that?

Mr. Witherspoon: I am John Witherspoon, representing the City of Detroit. I have no objection to the form of the decree. It apparently conforms to your Honor's findings of fact and conclusions of law. I am a little bit concerned about the possibility of an appeal. I am going to present the matter to the Common Council and ask for their authority and advice. I think we can probably get their conclusion within a

period of ten days, but I assume the Government does not expect to act that promptly in any event.

Mr. Marold: I don't know, offhand.

The Court: I don't know; I cannot give or hold out any assurance.

Mr. Marold: We will give him time to file—The Common Council, I mean—a reasonable time certainly, and won't order the sale until he has had an opportunity to bid.

The Court: That is all right then.

Mr. Witherspoon: That is satisfactory.

The Court: Yes.

Mr. Witherspoon: That is all we are concerned about.

The Court: I don't think there is any disposition on the part of the Government or anybody else to present any proofs here. I would say if I was in this—it is a vital question with reference to real estate and loans upon real estate, and I don't know.

Mr. Witherspoon: Well, that is all.

The Court: If somebody can sit down and say that they have a lease on the property and then don't file any of the records with the Register of Deeds office, or any notice to anybody, I don't know. I think, however, according to the authorities there is no question but what at least I think I have arrived at the right conclusion based upon the authorities, but—

Mr. Marold: I think you have too, your Honor.

The Court: Everybody, in talking about anything—They always say Notice, Where is your Notice? Well, in any event, you have ten days, Mr. Witherspoon, and you gentlemen here, if you cannot move within the ten days, come in with the motion and I haven't any doubt that the Government will consent to the extension for appealing or for the City of Detroit to determine whether or not it wants to appeal. You did not look at this computation.

Mr. Marold: I got some copies of those.

Mr. Reid: I haven't seen that yet.

Mr. Marold: I furnished it to Mr. Lorenzo.

The Court: Furnish it to counsel and the counsel for the City of Detroit; if you have an extra copy.

Mr. Marold: I will get some; I don't have them right now.

The Court: You want to file the computation?

Mr. Marold: I thought if your Honor wanted it.

The Court: You may file it here so that it will be here.

Mr. Marold: Thank you, your Honor.

The Court: Yes.

STATE OF MICHIGAN
COUNTY OF WAYNE } SS:

I, Arnold I. Feuerman, do hereby certify that I stenographically reported the foregoing proceeding; that I did later transcribe my said shorthand notes into typewritten form, comprising pages (1) through (24), inclusive, of the foregoing transcript; and that the foregoing is a true and accurate transcription of my shorthand notes.

ARNOLD FEUERMAN

STATE OF MICHIGAN
COUNTY OF WAYNE } SS:

I, Aaron A. Silberblatt, do hereby certify that I stenopraphically reported the foregoing proceeding; that I did later transcribe my said shorthand notes into typewritten form, comprising pages (25) through (30), inclusive, of the foregoing transcript; and that the foregoing is a true and accurate transcription of my shorthand notes.

AARON A. SILBERBLATT,
Official Reporter,
Wayne Circuit Court.

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Exhibit 1

EXHIBIT 1

Form 668 Revised Feb. 1934
TREASURY DEPARTMENT
INTERNAL REVENUE SERVICE

NOTICE OF TAX LIEN UNDER INTERNAL REVENUE LAWS

No. 4855

UNITED STATES INTERNAL REVENUE,

DISTRICT OF Michigan

December 26, 1935, 19

Pursuant to the provisions of Section 3186 of the Revised Statutes of the United States, as amended by Section 613 of the Revenue Act of 1928 (Act of May 29, 1928, 45 Stat., 875) and Section 509 of the Revenue Act of 1934 (Act of May 10, 1934, 48 Stat., 757), notice is hereby given that there have been assessed under the Internal Revenue laws of the United States against the following-named taxpayer, taxes (including interest and penalties) which after demand for payment thereof remain unpaid, and that by virtue of the above-mentioned statute the amount of said taxes, together with penalties, interest, and costs that may accrue in addition thereto, is a lien in favor of the United States upon all property and rights to property belonging to said taxpayer, to wit:

Name of taxpayer Estate of John P. Paul (Lona Paul, beneficiary)

Residence or place of business 207 King Avenue, Detroit, Michigan

Nature of tax estate tax

Taxable period , 19

Amount of tax assessed $31,352.12

Additional (penalty) tax assessed $

Date assessment list received February 23, 1933, 19

Giles Kavanagh
Collector.

CERTIFICATE OF OFFICER AUTHORIZED BY LAW TO TAKE ACKNOWLEDGMENTS

STATE OF Michigan
COUNTY OF Wayne
} ss:

On this day personally appeared before me a Notary Public (Official title) in and for the State and County aforesaid, Giles Kavanagh Collector of Internal Revenue for the district of Michigan to me well known as the person who executed the foregoing instrument, and acknowledged that he executed the same for the purposes therein expressed.

In witness whereof I have hereunto set my hand and official seal, this the 26th day of December, 19 35

James E. Cummins

[SEAL] (Notary Seal)

Notary Public, Wayne County, Michigan (Official title)
My Commission expires Sept. 25, 1939

TO Clerk of United States District Court
Detroit, Michigan

Filed in Clerk's Office
December 30th, 1935
Elmer W. Voorheis, Clerk

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207

Exhibit 1

No. .....

UNITED STATES

vs.

NOTICE OF TAX LIEN

Filed this ..... *day of*

....., 19....., *at* ..... *m.*

.....

Clerk (or Registrar).

.....

SECTION 3186, R. S., as amended by SECTION 613, Revenue Act of 1928 and SECTION 506, Revenue Act of 1934. "(a) If any person liable to pay any tax neglects or refuses to pay the same after demand, the amount (including any interest, penalty, additional amount, or addition to such tax, together with any costs that may accrue in addition thereto), shall be a lien in favor of the United States upon all property and rights to property, whether real or personal, belonging to such person. Unless another date is specifically fixed by law, the lien shall arise at the time the assessment list was received by the collector and shall continue until the liability for such amount is satisfied or becomes unenforceable by reason of lapse of time.

"(b) Such lien shall not be valid as against any mortgagee, purchaser, or judgment creditor until notice thereof has been filed by the collector—

"(1) in accordance with the law of the State or Territory in which the property subject to the lien is situated whenever the State or Territory has by law provided for the filing of such notice; or

"(2) in the office of the clerk of the United States District Court for the judicial district in which the property subject to the lien is situated, whenever the State or Territory has not by law provided for the filing of such notice; or

"(3) in the office of the clerk of the Supreme Court of the District of Columbia, if the property subject to the lien is situated in the District of Columbia.

"(c) Subject to such regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe, the collector of internal revenue charged with an assessment in respect of any tax—

"(1) May issue a certificate of release of the lien if the collector finds that the liability for the amount assessed, together with all interest in respect thereof, has been satisfied or has become unenforceable;

"(2) May issue a certificate of release of the lien if there is furnished to the collector and accepted by him a bond that is conditioned upon the payment of the amount assessed, together with all interest in respect thereof, within the time prescribed by law (including any extension of such time), and that is in accordance with such requirements relating to terms, conditions, and form of the bond and sureties thereon, as may be specified in the regulations;

"(3) May issue a certificate of partial discharge of any part of the property subject to the lien if the collector finds that the fair market value of that part of such property remaining subject to the lien is at least double the amount of the liability remaining unsatisfied in respect of such tax and the amount of all prior liens upon such property.

"(4) May issue a certificate of discharge of any part of the property subject to the lien if there is paid over to the collector in part satisfaction of the liability in respect of such tax an amount determined by the Commissioner, which shall not be less than the value, as determined by him, of the interest of the United States in the part to be so discharged. In determining such value the Commissioner shall give consideration to the fair market value of the part to be so discharged and to such liens thereon as have priority to the lien of the United States.

"(d) A certificate of release or of partial discharge issued under this section shall be held conclusive that the lien upon the property covered by the certificate is extinguished.

"(e) The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may by regulation provide for the acceptance of a single bond, complying both with the requirements of section 272 (j) of the Revenue Act of 1928 (relating to the extension of time for the payment of a deficiency), or of [illegible] provisions of any prior law, and the requirements of subsection (c) of this section.

"(f) Subsections (c), (d), and (e) of this section shall apply to a lien in respect of any internal-revenue tax, whether or not the lien is imposed by this section."

INSTRUCTIONS

Notice on this form should be filed as above provided and in accordance with instructions contained in Internal Revenue Circular of March 18, 1913. (T. D. 1841.)

All such notices should be numbered in consecutive order, and each Certificate of Discharge (Form 669), when issued should be given a number corresponding to that given the notice previously issued.

The filing of the notice, in each case, should be noted in the "Remarks" column of the Assessment List, opposite the name of the taxpayer. For such purpose the serial number and date of issuance of the notice will be sufficient.

Upon payment of the assessed tax and all penalties, interest, and costs incurred (not including filing fees), a Certificate of Discharge (Form 669) should be at once issued, and filed with the proper filing officer.

All fees for filing are payable by the United States. Bills for the same should be rendered against the collector of internal revenue, who will make payment after authorization by the Commissioner of Internal Revenue.

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Exhibit 2

EXHIBIT 2

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TREASURY DEPARTMENT
Internal Revenue Service

NOTICE OF TAX LIEN UNDER INTERNAL REVENUE LAWS

No. 4855

UNITED STATES INTERNAL REVENUE,

DISTRICT OF Michigan

December 26, 1935, 19

Pursuant to the provisions of Section 3186 of the Revised Statutes of the United States, as amended by Section 613 of the Revenue Act of 1928 (Act of May 29, 1928, 45 Stat., 875) and Section 509 of the Revenue Act of 1934 (Act of May 10, 1934, 48 Stat., 757), notice is hereby given that there have been assessed under the Internal Revenue laws of the United States against the following-named taxpayer, taxes (including interest and penalties) which after demand for payment thereof remain unpaid, and that by virtue of the above-mentioned statute the amount of said taxes, together with penalties, interest, and costs that may accrue in addition thereto, is a lien in favor of the United States upon all property and rights to property belonging to said taxpayer, to wit:

Name of taxpayer Estate of John P. Paul (Lena Paul, beneficiary)

Residence or place of business 207 King Avenue, Detroit, Michigan

Nature of tax estate tax

Taxable period _____, 19

Amount of tax assessed $31,352.12

Additional (penalty) tax assessed $

Date assessment list received February 23, 1933, 19

GILES KAVANAGH
Collector.

CERTIFICATE OF OFFICER AUTHORIZED BY LAW TO TAKE ACKNOWLEDGMENTS

STATE OF Michigan
COUNTY OF Wayne
ss:

On this day personally appeared before me a Notary Public (Official title) in and for the State and County aforesaid, Giles Kavanagh Collector of Internal Revenue for the _____ district of Michigan to me well known as the person who executed the foregoing instrument, and acknowledged that he executed the same for the purposes therein expressed.

In witness whereof I have hereunto set my hand and official seal, this the 26th day of December, 19 35.

JAMES E. CUMMINS

[SEAL]

Notary Public, Wayne County, Michigan (Official title)
My Commission expires Sept. 25th, 1939

TO Register of Deeds
Wayne County, Michigan

Feb 1933 P 100 L O
2nd sup

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Exhibit 2

209

No. .....

UNITED STATES

vs.

NOTICE OF TAX LIEN

Filed this ..... day of

....., 19....., at ..... m.

.....

Clerk (or Registrar).

.....

SECTION 3186, R. S., as amended by SECTION 613, Revenue Act of 1928 and SECTION 506, Revenue Act of 1934. "(a) If any person liable to pay any tax neglects or refuses to pay the same after demand, the amount (including any interest, penalty, additional amount, or addition to such tax, together with any costs that may accrue in addition thereto), shall be a lien in favor of the United States upon all property and rights to property, whether real or personal, belonging to such person. Unless another date is specifically fixed by law, the lien shall arise at the time the assessment list was received by the collector and shall continue until the liability for such amount is satisfied or becomes unenforceable by reason of lapse of time.

"(b) Such lien shall not be valid as against any mortgagee, purchaser, or judgment creditor until notice thereof has been filed by the collector—

"(1) in accordance with the law of the State or Territory in which the property subject to the lien is situated whenever the State or Territory has by law provided for the filing of such notice; or

"(2) in the office of the clerk of the United States District Court for the judicial district in which the property subject to the lien is situated, whenever the State or Territory has not by law provided for the filing of such notice; or

"(3) in the office of the clerk of the Supreme Court of the District of Columbia, if the property subject to the lien is situated in the District of Columbia.

"(c) Subject to such regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe, the collector of internal revenue charged with an assessment in respect of any tax—

"(1) May issue a certificate of release of the lien if the collector finds that the liability for the amount assessed, together with all interest in respect thereof, has been satisfied or has become unenforceable;

"(2) May issue a certificate of release of the lien if there is furnished to the collector and accepted by him a bond that is conditioned upon the payment of the amount assessed, together with all interest in respect thereof, within the time prescribed by law (including any extension of such time), and that is in accordance with such requirements relating to terms, conditions, and form of the bond and sureties thereon, as may be specified in the regulations;

"(3) May issue a certificate of partial discharge of any part of the property subject to the lien if the collector finds that the fair market value of that part of such property remaining subject to the lien is at least double the amount of the liability remaining unsatisfied in respect of such tax and the amount of all prior liens upon such property.

"(4) May issue a certificate of discharge of any part of the property subject to the lien if there is paid over to the collector in part satisfaction of the liability in respect of such tax an amount determined by the Commissioner, which shall not be less than the value, as determined by him, of the interest of the United States in the part to be so discharged. In determining such value the Commissioner shall give consideration to the fair market value of the part to be so discharged and to such liens thereon as have priority to the lien of the United States.

"(d) A certificate of release or of partial discharge issued under this section shall be held conclusive that the lien upon the property covered by the certificate is extinguished.

"(e) The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may by regulation provide for the acceptance of a single bond, complying both with the requirements of section 272(*f*) of the Revenue Act of 1928 (relating to the extension of time for the payment of a deficiency) or of any similar provisions of any prior law, and the requirements of subsection (*c*) of this section.

"(*f*) Subsections (*c*), (*d*), and (*e*) of this section shall apply to a lien in respect of any internal-revenue tax, whether or not the lien is imposed by this section."

INSTRUCTIONS

Notice on this form should be filed as above provided and in accordance with instructions contained in Internal Revenue Circular of March 13, 1913. (T. D. 1841.)

All such notices should be numbered in consecutive order, and each Certificate of Discharge (Form 669), when issued should be given a number corresponding to that given the notice previously issued.

The filing of the notice, in each case, should be noted in the "Remarks" column of the Assessment List, opposite the name of the taxpayer. For such purpose the serial number and date of issuance of the notice will be sufficient.

Upon payment of the assessed tax and all penalties, interest, and costs incurred (not including filing fees), a Certificate of Discharge (Form 669) should be at once issued, and filed with the proper filing officer.

All fees for filing are payable by the United States. Bills for the same should be rendered against the collector of internal revenue, who will make payment after authorization by the Commissioner of Internal Revenue.

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Exhibit 2

M-201-6704 Rev-6-35

STATE OF MICHIGAN, County of Wayne } ss.

Office of REGISTER OF DEEDS

I, HAROLD E. STOLL, Register of Deeds for said County, do hereby certify that I have compared the foregoing copy of NOTICE OF TAX LIEN bearing date the twenty-sixth day of December in the year of our Lord one thousand nine hundred thirty-five and recorded in said Register's office on the second day of January in the year of our Lord one thousand nine hundred thirty-six in Liber Filed of #5162 pages to both inclusive, with the original record thereof, now remaining in this office, and have found the same to be a correct transcript therefrom, and of the whole of such original Record.

In Testimony Whereof, I have hereunto set my hand and affixed the Seal of the Register's Office, at the City of Detroit this twelfth day of November A. D. one thousand nine hundred and thirty-six eight

No. 23491

Harold E. Stoll Register of Deeds

BUCKBEE, L L C CO 6030

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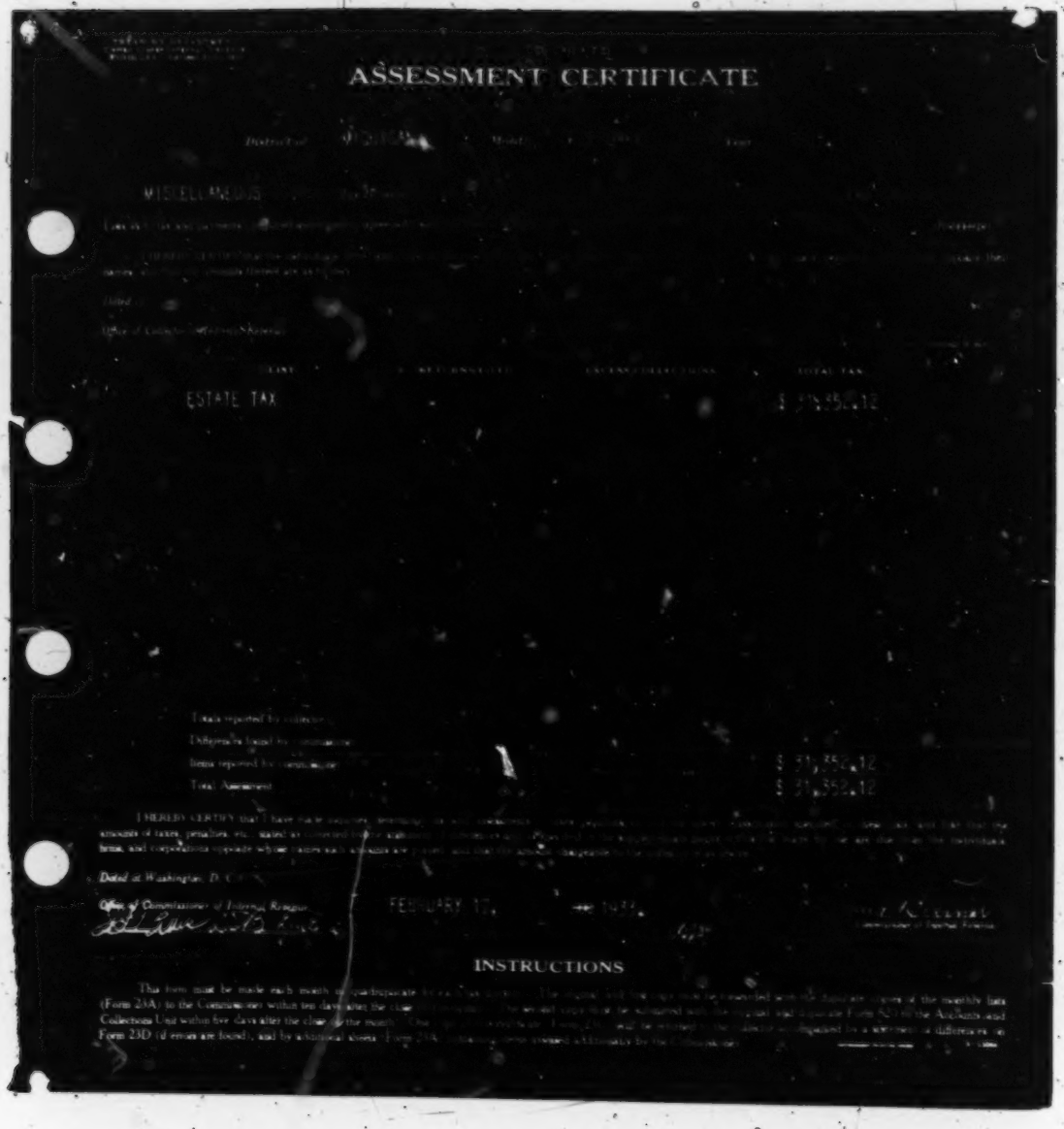
EXHIBIT 3



ASSESSMENT CERTIFICATE

MISCELLANEOUS

ESTATE TAX

INSTRUCTIONS

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EXHIBIT 4

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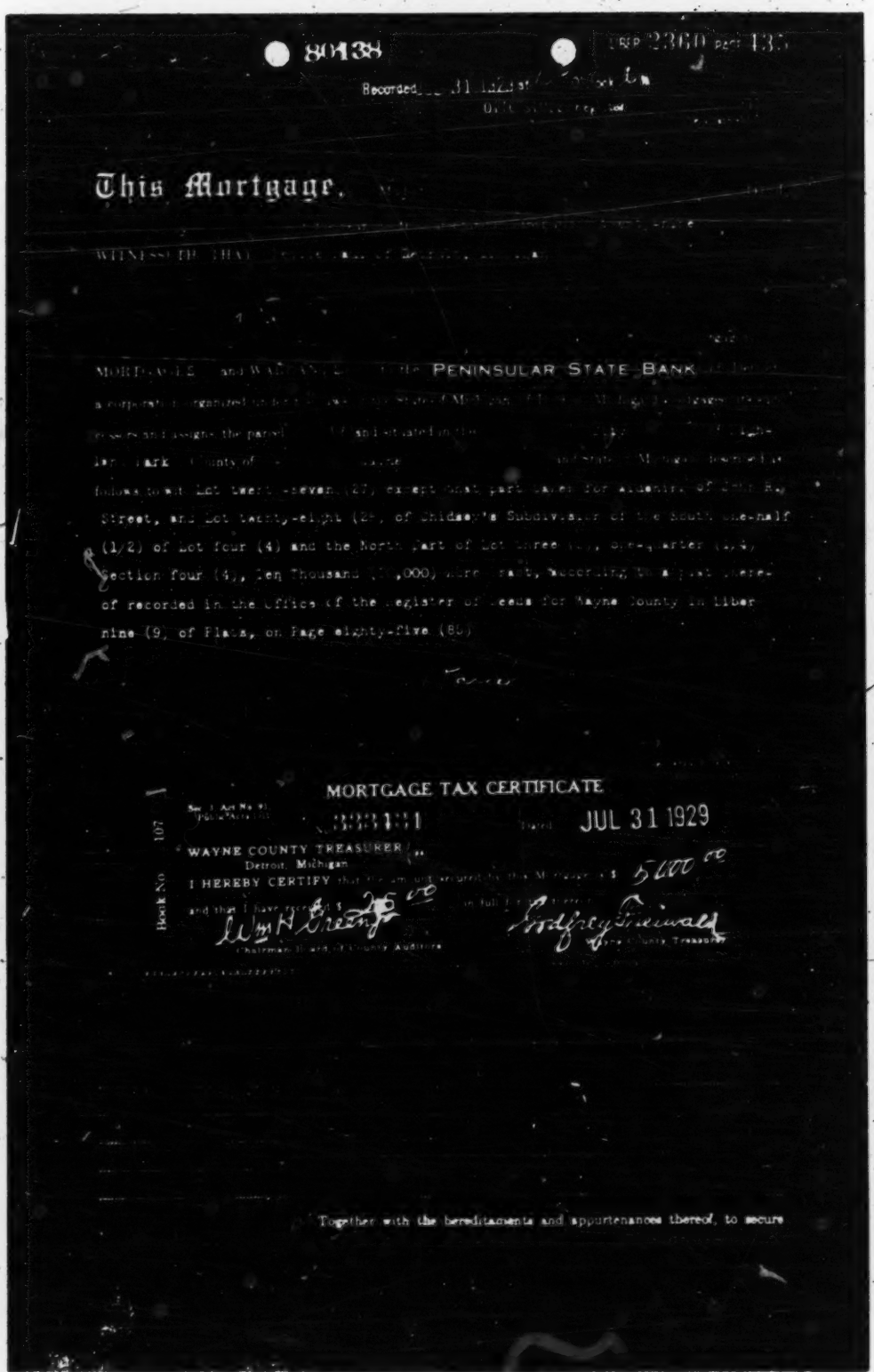
EXHIBIT 5



80138

Recorded 31 [illegible]

This Mortgage.

PENINSULAR STATE BANK

(1/2) of Lot four (4) and the North part of Lot three [illegible], Section four (4), Ten Thousand [illegible],000) [illegible] rate, according to a plat thereof recorded in the Office of the Register of Deeds for Wayne County in Liber nine (9, of Plats, on Page eighty-five (85)

MORTGAGE TAX CERTIFICATE

Book No. 107

WAYNE COUNTY TREASURER
Detroit, Michigan

I HEREBY CERTIFY

JUL 31 1929

5000

Wm H Green
Chairman Board of County Auditors

Godfrey Diewald
County Treasurer

Together with the hereditaments and appurtenances thereof, to secure

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Exhibit 5

LIBER 2360 PAGE 436

performance of the covenants hereinafter contained, and the payment of the principal sum of Five Thousand ($5000.00)- - - -

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Exhibit 5

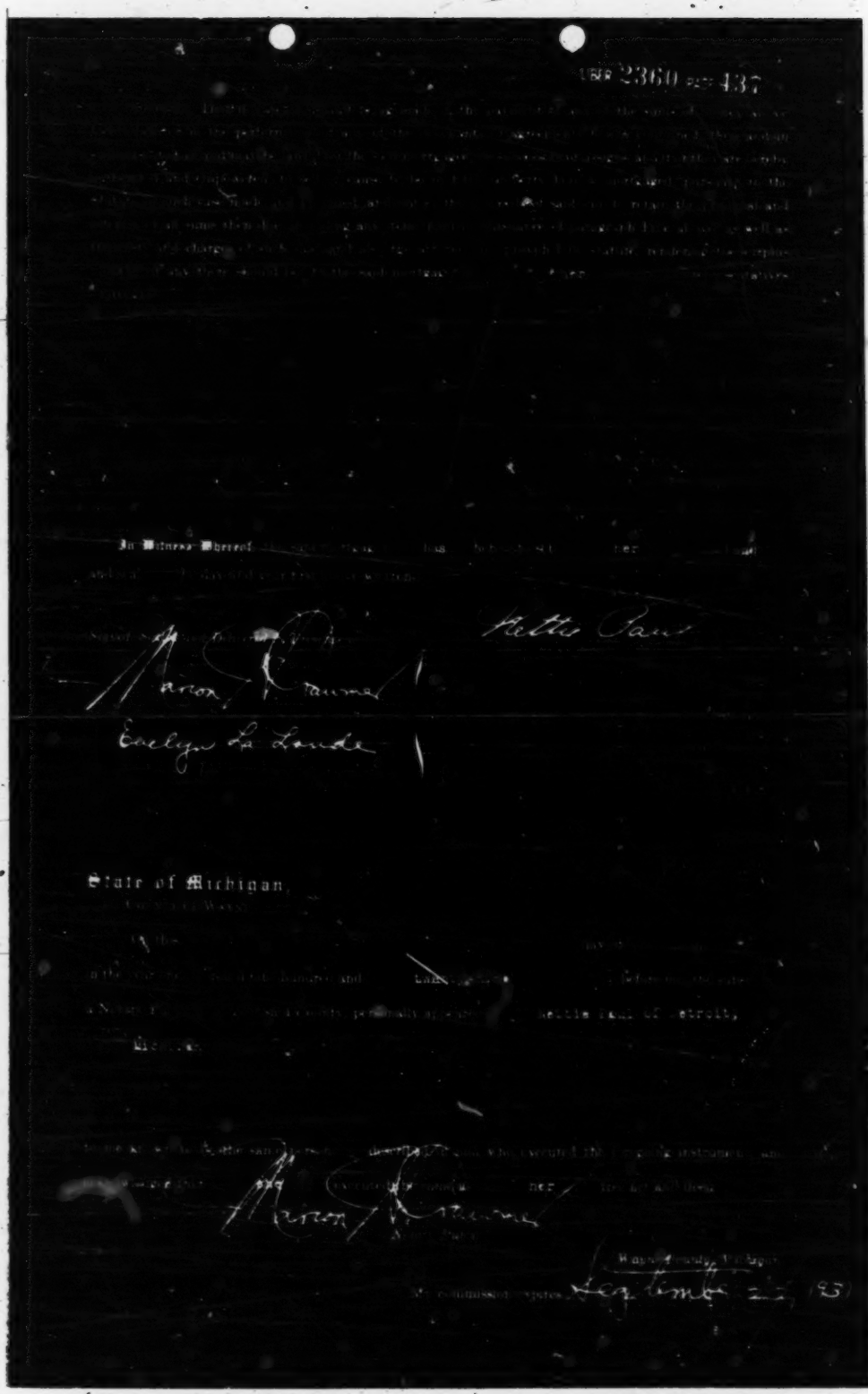

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Exhibit 5

State of Michigan.

Mortgage (15)

PENINSULAR STATE BANK

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Exhibit C

EXHIBIT C

LAND CONTRACT—Installment and Assignment. Reg Use in Detroit. | No. 810 | 11-13

Article of Agreement,

Made this fourteenth day of July A. D. 1914, BETWEEN PHILLIP YOUNG and MARION M. YOUNG, his wife, of the City of Detroit in the County of Wayne, and State of Michigan, parties of the first part, and LOUIS OGUSHAVETZ of the same place, party of the second part, in the manner following: The said parties of the first part, in consideration of the sum of EIGHTY-FIVE HUNDRED ($8500.00) - - - - - - - - - Dollars, to be to them July paid, hereby agree to sell unto the party of the second part, all the certain piece or parcel of land, lying and being situate in the City of Detroit, in the County of Wayne and State of Michigan, and more particularly known and described as Lot Thirty-five (35), of Albert Crane and William B. Wesgun's Subdivision of Out Lot One Hundred Seventy-three (173) of the L. Beaubien Farm, Detroit, as recorded February 19th, 1849 in Liber 35 page 201 of Deeds.--

for the sum of EIGHTY-FIVE HUNDRED ($8500.00)- - - - - - - - - - - - Dollars, which the said party of the second part hereby agrees to pay the parties of the first part, as follows: One Thousand ($1000.00) - Dollars, at the date hereof, and the remaining Seventy-five Hundred ($7500.00) Dollars in annual payments of Two Hundred and Fifty ($250.00) Dollars or more each, (Said second party shall have the right to pay off the entire principal at any time.)

with interest on all sums at any time unpaid hereon at the rate of six per cent. per annum till due, and thereafter at the rate of six per cent. per annum till paid, payable semi-annually from the date hereof. Said party of the second part also agrees to pay ALL taxes and assessments, extraordinary as well as ordinary, that shall be taxed or assessed on said premises from the date hereof until said sum shall be fully paid as aforesaid.

And it is Also Agreed, By and between the parties to these presents, that the said party of the second part shall and will pay the expenses of keeping the buildings erected and to be erected, upon the lands above contracted for, insured against loss and damage by fire, by insurers, in manner and amount approved by the said parties of the first part, such expense to be chargeable hereon if paid by the parties of the first part. And the said parties of the first part, on receiving the afore-mentioned payment in full, at the times and in the manner above mentioned, and all sums chargeable in favor hereon, and upon the surrender of the duplicate of this contract, shall at their own proper cost and expense, execute and deliver to the said party of the second part, or to his assigns, a good and sufficient conveyance in fee simple, of said described lands, free and clear of and from all liens and incumbrances, except such as may have accrued thereon subsequent to the date hereof, by or through the acts or negligence of said party of the second part or his assigns.

It is Mutually Agreed between said parties, that the said party of the second part shall have possession of said premises on and after this date, while he shall not be in default on his part in carrying out the terms hereof, taking and holding such possession hereunder, and shall keep the same in as good condition as they are at the date hereof, until the said sum shall be paid as aforesaid; and if said party of the second part shall fail to perform this contract, or any part of the same, said parties of the first part shall immediately after such failure, have a right to declare the same void, and retain whatever may have been paid hereon, and all improvements that may have been made on said premises, and may consider and treat the party of the second part as a tenant holding over without permission, and may take immediate possession of the premises, and remove the party of the second part therefrom.

And it is Agreed that the stipulations aforesaid are to apply to and bind the heirs, executors, administrators and assigns of the respective parties.

In Witness Whereof, The said parties have hereunto set their hands and seals the day and year above.

Sealed and Delivered in Presence of

N. F. Sullivan

John Mann

Phillip Young SEAL

Marion M. Young SEAL

Louis Ogushavetz SEAL

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Exhibit C

218

Wayne Co. C

LAND CONTRACT.

This Indenture, Made and entered into this [illegible] day of [illegible] in the year of our Lord one thousand nine hundred and [illegible] between [illegible] party of the first part, and [illegible] party of the second part, Witnesseth, That the said party of the first part, for and in consideration of the sum of [illegible] Dollars, to be paid as hereinafter mentioned, does hereby agree to sell and convey unto the said party of the second part, the following described lot, piece or parcel of land, situated in the City of Detroit, County of Wayne and State of Michigan, to wit: [illegible]

To have and to hold the same, together with all and singular the tenements, hereditaments and appurtenances thereunto belonging, unto the said party of the second part, [illegible] heirs and assigns, forever.

And the said party of the second part, in consideration of the premises, does hereby agree to pay unto the said party of the first part, [illegible] heirs or assigns, the sum of [illegible] Dollars, in the manner following, to wit: [illegible]

City Taxes payable from July 1st to July 31st, without percentage, at the Receiver of Taxes' Office, second floor of City Hall.

State and County Taxes payable from December 1st to December 31st, without percentage, at County Treasurer's Office, County Building.

Dated, [illegible]

I hereby consent that the interest of [illegible] in the within Contract be assigned to [illegible] subject to all the conditions and obligations therein contained.

[illegible]

In consideration of [illegible] Dollars to me in hand paid, I do hereby sell, assign and transfer unto Abraham Cooper all my right, title and interest in and to the within Contract, and advantages to be derived therefrom.

[illegible]

Assignee above named, do hereby accept the above assignment, and do hereby covenant and agree to and with [illegible] the part of the first part to the within Contract, in consideration of [illegible] contract above given, to assume, perform and carry out with all the conditions and obligations therein contained on the part of the part of the second part thereby to be performed.

[illegible]

Received Payments on the within Contract as follows:

Received the $1,000.00 due on delivery hereof July 14, 1914

Month	Day	Year		Month			Month	Day	Year	
Jan	14	1915				225.00	Jan	9	1917	
July	14	1914				225.00	Interest			
Oct	7th	1915	400.00	Cancelled						
Jan	14	1916	7250.00			Interest on Contract				225.00
July	14	1916	250	2/20	7000	Interest	Jan	14	1917	245.00
July	14	1917	250	240	6750.00					
Jan	14	1918		202.50	6750.00	Int. Interest				Cancelled
July	15th	1918	250.00	202.50	6500.00	Interest	Jan	14	1919	Cancelled
Jan	14	1919	250.00	195.00	6250.00	Interest	Jan	14	1919	Cancelled
July	14	1919	250.00	187.50	6000.00	Interest	Jan	14	1919	Cancelled
Jan	14	1920	250.00	180.00	5750.00	Interest	Jan	14	1919	Cancelled
July	14	1920	250.00	172.50	5500.00	Interest	Jan	14	1919	Cancelled
Jan	14	1921	250.00	165.00	5250.00	Interest	Jan	14	1919	Cancelled
July	14	1921	250.00	157.50	5000.00	Interest	Jan	14	1919	Cancelled
Jan	14	1922	250.00	150.00	4750.00	Interest	Jan	14	1919	Cancelled
July	14	1922	250.00	142.50	4500.00	Interest	Jan	14	1919	Cancelled

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Exhibit C

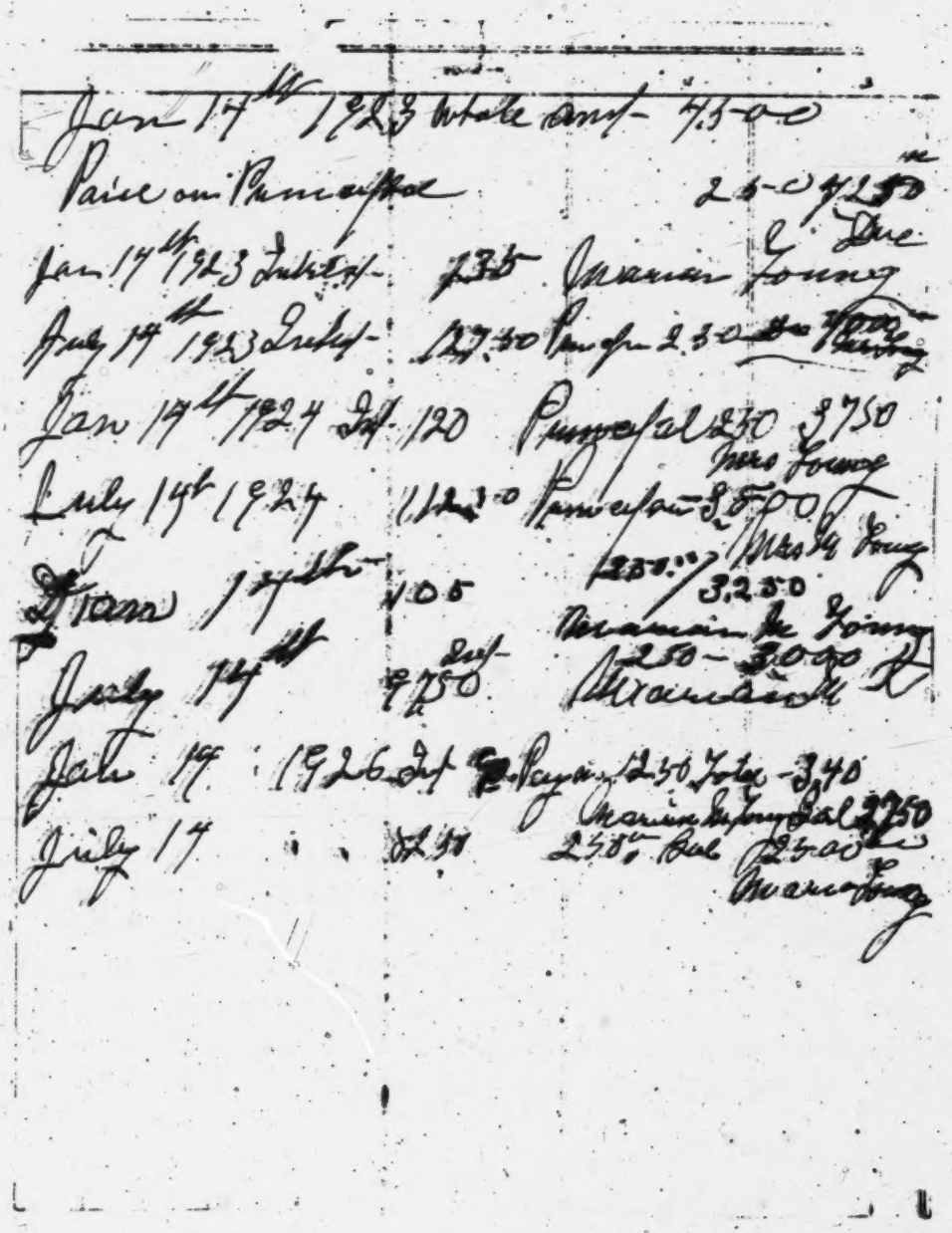

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Exhibit C.

Detroit, July 15, 19..

I hereby consent that the interest of Abraham Cooper in the within contract be assigned to John J. Paul and Lena Paul, subject to all the conditions and obligations therein contained

Clarence K. Young

In consideration of One Dollar and other valuable considerations to me in hand paid I do hereby sell, assign and transfer unto John J. Paul and Lena Paul, his wife, all my right, title and interest in and to the within contract and advantages to be derived therefrom.

Witness
J. J. Lynch
B. Ford

Abraham Cooper

We assignees above named, do hereby accept the above assignment and do hereby covenant and agree to and with Abraham Cooper, the party of the first part to the within Contract in consideration of consent above given, to assume perform and carry out with him all the conditions and obligations therein contained on th part of the parties of the second part thereto performed

J. P. Paul
Lena Paul

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REQUEST FOR FINDINGS OF FACT AND CONCLUSIONS OF LAW

(Filed May 1, 1939)

Now comes THE DETROIT BANK, a Michigan banking corporation, one of the defendants in the above entitled cause, by Miller, Canfield, Paddock and Stone, its attorneys, and respectfully requests that this Court make and enter the following Findings of Fact:

I.

Said defendant requests that this Court find as facts and include in its Findings of Fact all of the facts stipulated as true in the "Stipulation of Facts" signed by the attorneys for all of the interested parties herein, filed in this cause on July 19, 1938, and submitted at the trial of this cause.

II.

That at the times that The Detroit Bank loaned money upon the security of mortgages covering Parcels 1, 2, 4, 7, 8, 9, 10, 11, 20, 31, 32 and 38, respectively, and at the times respectively which it acquired mortgages on said parcels, it had no knowledge or notice, either actual, constructive or otherwise, that plaintiff, United States of America, had or claimed to have or proposed or intended to assert any claim, lien or charge on, against or with respect to any of said parcels arising out of Estate Taxes payable, or claimed to be payable, by the Estate of John P. Paul, deceased, or arising out of any matter, fact, cause or thing whatsoever.

III.

That The Detroit Bank acquired mortgages covering Parcels 1, 2, 4, 7, 8, 9, 10, 11, 20, 31, 32 and 38 in good faith, for value, and without any notice or knowledge, either actual, constructive or otherwise, that plaintiff, United States of America, had or claimed to have, or proposed or intended to assert, any claim, lien or charge on, against or with respect to any of

said parcels arising out of Estate Taxes payable or claimed to be payable by the Estate of John P. Paul, deceased, or arising out of any matter, fact, cause or thing whatsoever.

IV.

That The Detroit Bank acquired mortgages covering Parcels 2, 4, 7, 9, 10, 11, 20, 31, 32 and 38 prior to the date upon which the plaintiff, United States of America, first asserted or claimed that any deficiency in Estate Taxes was payable by the Estate of John P. Paul, deceased, and prior to the time that the United States Board of Tax Appeals first determined that any deficiency was payable by the Estate of John P. Paul, deceased, with respect to Estate Taxes.

V.

That The Detroit Bank acquired mortgages covering Parcels 1 and 8 prior to the time when the United States Board of Tax Appeals first determined that any deficiency in Estate Taxes was payable by the Estate of John P. Paul, deceased.

VI.

That The Detroit Bank acquired mortgages on Parcels 1, 2, 4, 7, 8, 9, 10, 11, 20, 31, 32 and 38 prior to February 25, 1933, the date upon which plaintiff, United States of America, by the Collector of Internal Revenue at Detroit, Michigan, first made demand for the payment of Federal Estate Taxes payable by the Estate of John P. Paul, deceased, to collect which this action is instituted.

VII.

That notice of the lien herein sought to be foreclosed by plaintiff, United States of America, was first filed by it in the Office of the Register of Deeds for Wayne County, Michigan, on December 26, 1935, and that no notice of the lien herein sought to be foreclosed was filed, recorded or otherwise made a matter of public record prior to December 26, 1935.

VIII.

That prior to February 23, 1933, and therefore prior to December 26, 1935, The Detroit Bank had acquired mortgages covering Parcels 1, 2, 4, 7, 8, 9, 10, 11, 20, 31, 32 and 38.

IX.

That the notice of the lien herein sought to be foreclosed by plaintiff was not filed or recorded in the Office of the Register of Deeds for Wayne County against any specific parcel of property, nor did said notice of lien purport or attempt to describe specifically the property against which said notice of lien was filed.

In addition to the Findings of Fact above requested, this defendant further requests that this Court declare and enter the following Conclusions of Law:

I.

That plaintiff, United States of America, has no claim, lien or charge of any kind, name, nature and description whatsoever on Parcels 1, 2, 4, 7, 8, 9, 10, 11, 20, 31, 32 and 38 superior to the claim, lien, charge or title thereon or thereto possessed by The Detroit Bank, and that the claim, lien, charge and title of The Detroit Bank on, against and with respect to each and all of said parcels is prior in time and superior in right to any claim, lien or charge which plaintiff may have on, against or with respect to any of said parcels.

II.

That the lien sought to be foreclosed herein by plaintiff, United States of America, is imposed by *Title 26 USC, Section 1560 (Section 3186 (a) Revised Statutes)* and not by *Section 315 (a) of the Revenue Act of 1926.*

III.

That the lien mentioned in *Section 315 (a) of the Revenue Act of 1926* is not separate and distinct from the lien imposed

by *Title 26 USC, Section 1560 (Section 3186 (a) Revised Statutes).*

IV.

That *Section 315 (a) of the Revenue Act of 1926* imposes no lien *ex proprio vigore* but simply defines some of the incidents of the lien imposed by *Title 26 USC, Section 1560 (Section 3186 (a) Revised Statutes)* designed to insure the effectiveness of the lien imposed by the latter section as a method of enforcing claims for Estate Taxes.

V.

That *Title 26 USC, Section 1562 (Section 3186 (b) Revised Statutes)* requiring the filing of notice of liens applies to the lien mentioned in *Section 315 (a) of the Revenue Act of 1926* for the reason that the lien mentioned in said *Section 315 (a)* is the lien imposed by *Title 26 USC, Section 1560 (Section 3186 (a) Revised Statutes).*

VI.

That the notice of lien mentioned in *Section 315 (a) of the Revenue Act of 1926* must be filed or recorded prior to the acquisition by purchasers, mortgagees and judgment creditors of titles, liens and charges in order to make the lien mentioned in said *Section 315 (a)* valid as against such purchasers, mortgagees and judgment creditors.

VII.

That in order to make the lien herein sought to be foreclosed valid as against The Detroit Bank with respect to Parcels 1, 2, 4, 7, 8, 9, 10, 11, 20, 31, 32 and 38, it was necessary that notice of said lien be filed in the manner prescribed by *Title 26 USC, Section 1562 (Section 3186 (b) Revised Statutes)* prior to the acquisition by The Detroit Bank of mortgages covering said parcels.

VIII.

That in order to make the lien herein sought to be foreclosed valid as against The Detroit Bank with respect to Parcels 1, 2, 4, 7, 8, 9, 10, 11, 20, 31, 32 and 38, it was necessary that notice of such lien filed in accordance with *Title 26 USC, Section 1562 (Section 3186 (b) Revised Statutes)*, specifically describe the property against and with respect to which the lien was asserted.

IX.

That the lien mentioned in *Section 315 (a) of the Revenue Act of 1926* is not a prior lien but is subordinate to liens, claims and charges acquired by purchasers, mortgagees and judgment creditors in good faith, for value, and prior to any notice or knowledge, either actual, constructive or otherwise, that any lien is claimed or asserted with respect to Federal Estate Taxes.

X.

That the doctrine that Congressional Reenactment of statutory provisions without change after uniform, general and long continued administrative interpretation or construction is an adoption by Congress of such interpretation or construction, has no application to this case.

XI.

That it was first authoritatively determined that property acquired subsequent to 1916 by husband and wife as tenants by the entireties was includable in the gross estate of a deceased tenant by the entirety on May 19, 1930, which was subsequent to the time when The Detroit Bank acquired mortgages covering Parcels 2, 4, 7, 9, 10, 11, 20, 31, 32 and 38, all of which said parcels were acquired by John P. Paul and Lena Paul, his wife, as tenants by the entireties, subsequent to 1916, except Parcels 7, 9, 10 and 11, which were acquired by John P. Paul and Lena Paul, his wife, as tenants by the entireties prior to 1916.

XII.

That it was first authoritatively determined that property acquired prior to 1916 and held by a husband and wife as tenants by the entireties was includable in the gross estate of a deceased tenant by the entirety in 1938, which was subsequent to the date upon which The Detroit Bank acquired its mortgages on Parcels 1, 7, 9, 10 and 11, which parcels John P. Paul and Lena Paul, his wife, acquired as tenants by the entireties prior to 1916.

XIII.

That any claim, lien or charge which plaintiff, United States of America, may have on Parcels 1, 2, 4, 7, 8, 9, 10, 11, 20, 31, 32 and 38, which is subsequent in time or inferior in right to the claims, liens, charges and title of The Detroit Bank with respect to said parcels has become barred and terminated by virtue of the foreclosure by The Detroit Bank of the mortgages owned by it covering said parcels.

XIV.

That if *Section 315 (a) of the Revenue Act of 1926* is construed to impose a lien which gives plaintiff, United States of America, precedence or priority over the mortgages of The Detroit Bank covering Parcels 1, 2, 4, 7, 8, 9, 10, 11, 20, 31, 32 and 38, which mortgages The Detroit Bank acquired in good faith, for value, and without any notice or knowledge, either actual, constructive or otherwise, that plaintiff, United States of America, had, claimed to have, or proposed or intended to assert, any claim, lien or charge on any of said parcels arising out of Estate Taxes payable or claimed to be payable by the Estate of John P. Paul, deceased, said *Section 315 (a) of the Revenue Act of 1926* violates the interdict of the Fourteenth Amendment of the Constitution of the United States of America and is unconstitutional, null, void and of no force or effect whatsoever.

XV.

That if this Court finds that the lien claimed by plaintiff, United States of America, with respect to Parcels 1, 2, 4, 7, 8, 9, 10, 11, 20, 31, 32 and 38 is superior to the lien, charge and title possessed by The Detroit Bank on or with respect to said parcels, this Court direct that the parcels of real estate herein involved, which are unencumbered and which are owned by persons who are direct or indirect beneficiaries of the Estate of John P. Paul, deceased, or their grantees, be first sold to satisfy any claim established by plaintiff in these proceedings against any of the property herein involved before any of said parcels on which The Detroit Bank had mortgages are sold to satisfy any such claim.

XVI.

That the lien mentioned in *Section 315 (a) of the Revenue Act of 1926* does not in any event extend to any property which a decedent owned as tenant by the entireties and, therefore, there is not and never has been any claim, lien or charge of any kind, name, nature or description whatsoever on, against or with respect to Parcels 1, 2, 4, 7, 8, 9, 10, 11, 20, 31, 32 and 38 in favor of plaintiff, United States of America.

MILLER, CANFIELD, PADDOCK AND STONE,
By EMMETT E. EAGAN,
Attorneys for The Detroit Bank,
3456 Penobscot Building,
Detroit, Michigan.

Dated: May 1, 1939.

AMENDMENT TO REQUEST FOR FINDINGS OF FACT AND CONCLUSIONS OF LAW

(Filed May 3, 1939)

Now comes THE DETROIT BANK, a Michigan banking corporation, one of the defendants in the above entitled cause, by Miller, Canfield, Paddock and Stone, its attorneys, and amends paragraph XIV of its Request for Conclusions of Law to read as follows:

That if *Section 315 (a) of the Revenue Act of 1926* is construed to impose a lien which gives plaintiff, United States of America, precedence or priority over the mortgages of The Detroit Bank covering Parcels 1, 2, 4, 7, 8, 9, 10, 11, 20, 31, 32 and 38, which mortgages The Detroit Bank acquired in good faith, for value, and without any notice or knowledge, either actual, constructive or otherwise, that plaintiff, United States of America, had, claimed to have, or proposed or intended to assert, any claim, lien or charge on any of said parcels arising out of Estate Taxes payable or claimed to be payable by the Estate of John P. Paul, deceased, said *Section 315 (a) of the Revenue Act of 1926* violates the interdict of the Fifth and Tenth Amendments of the Constitution of the United States of America and is unconstitutional, null, void and of no force or effect whatsoever.

MILLER, CANFIELD, PADDOCK & STONE,
By EMMETT E. EAGAN,
Attorneys for The Detroit Bank,
3456 Penobscot Building,
Detroit, Michigan.

Dated: May 3, 1939.

REQUEST OF UNITED STATES FOR FINDINGS OF FACT AND CONCLUSIONS OF LAW

(Filed October 10, 1938)

Comes now the United States, the plaintiff, by its attorney, John C. Lehr, United States Attorney, and respectfully requests that the Court make and enter the following Findings of Fact:

I.

Plaintiff requests that the Court include in its findings all of the facts contained in the Stipulation of Facts signed by the attorneys for all of the interested parties herein, filed on July 19, 1938, and submitted at the trial of this cause.

II.

That by letter dated February 25, 1933, the plaintiff, by the Collector of Internal Revenue at Detroit, made demand for the payment of the Federal Estate Tax in question.

III.

That notice of the Federal Estate Tax lien was filed by the Collector of Internal Revenue in the office of the Recorder of Deeds of Wayne County, Michigan, on December 26, 1935.

In addition to the above requested Findings of Fact, the Court is further requested to declare and enter the following Conclusions of Law:

I.

This Court has jurisdiction of the parties and of the subject matter of this cause.

II.

By virtue of the assessment made by the Commissioner of Internal Revenue, on February 19, 1933, pursuant to a decision of the United States Board of Tax Appeals, which had become final, there is now due to the plaintiff from the Estate of John P. Paul the sum of $31,352.12, together with interest thereon at the rate of 1% per month from February 19, 1933,

to October 24, 1933, and at the rate of 6% per annum from that date until fully paid.

III.

That the plaintiff, the United States, has a lien for the unpaid Federal Estate Tax on all the property described in the Bill of Complaint, effective from May 5, 1926, the date of the death of John P. Paul.

IV.

That the lien of the United States is prior in time and superior in right to the liens created by any mortgages executed subsequent to the date of the death of John P. Paul, and to the liens for state, county and city taxes.

V.

That the Federal Estate Tax lien created by Section 315 (a) of the Revenue Act of 1926, is separate and distinct from the general tax lien created by Section 3186 (a), as amended by Section 613 (a), of the Revenue Act of 1928.

VI.

That Section 3186 (b), as amended, requiring the filing of notice of liens created by Section 3186 (a), as amended, does not apply to the Federal Estate Tax liens created by Section 315 (a) of the Revenue Act of 1926.

VII.

That notice of the Federal Estate Tax lien created by Section 315 (a) of the Revenue Act of 1926 need not be recorded or filed in order of said lien to prevail against subsequent purchasers, mortgagees, and judgment creditors.

JOHN C. LEHR,
United States Attorney,

By J. THOS. SMITH,
Assistant United States Attorney.

Amendment to the Requests of United States for Findings of Fact and Law

AMENDMENT TO REQUESTS OF UNITED STATES FOR FINDINGS OF FACT AND CONCLUSIONS OF LAW

(Filed June 28, 1939)

Comes now the plaintiff, the United States of America, by its attorney, John C. Lehr, United States Attorney, and respectfully requests that in addition to the findings of fact and conclusions of law heretofore requested by the plaintiff, the Court make and enter the following findings of fact:

I.

That John W. Paul, Frederick P. Paul, Nettie B. Paul, Amelia L. Paul, Riney T. Paul, and Charles Paul, deceased, were the children and natural heirs of John P. Paul, deceased, and Lena Paul, deceased.

II.

That the defendants John W. Paul, Frederick P. Paul, Nettie B. Paul, Amelia L. Paul, Riney T. Paul, Charles Paul, deceased, and Florence Paul, administratrix of the estate of Charles Paul, gave no consideration either to John P. Paul or Lena Paul, either in money, property or services for any of the real property involved in this proceeding, but acquired it as donees and heirs of their mother, Lena Paul, the surviving tenant by the entirety of John P. Paul, deceased.

III.

That except for the parcels of real estate conveyed by John P. Paul less than two years prior to his death, neither John W. Paul, Frederick P. Paul, Nettie B. Paul, Amelia L. Paul, Riney T. Paul, Charles Paul, deceased, nor Florence Paul, administratrix of the estate of Charles Paul, acquired any legal or equitable interest in any of the real property involved in this proceeding prior to the death of John P. Paul.

In addition to the above findings of fact, the Court is respectfully requested to enter the following conclusions of law:

Amendment to the Requests of United States for Findings of Fact and Law

I.

That the purported oral promise of John P. Paul to convey an interest in his property to the Paul heirs did not constitute a valid legal or equitable charge on any of the real property involved in this proceeding.

II.

That the testimony purporting to show an oral promise made by John P. Paul to convey an interest in his real property is inadmissable as seeking to establish an interest in real estate by parol testimony and is not material to the controversy involved in this proceeding.

III.

That John W. Paul, Frederick P. Paul, Nettie B. Paul, Amelia L. Paul, Riney T. Paul, Charles Paul, deceased, and Florence Paul, administratrix of the estate of Charles Paul, were not purchasers for value of any of the real property involved in this proceeding.

IV.

That the lien of the United States for unpaid federal estate taxes due from the estate of John P. Paul is paramount and superior to any and all rights or interest held, or claimed to be held, by the Paul children in any of the real property involved in this proceeding.

JOHN C. LEHR,
United States Attorney.
By J. THOMAS SMITH,
Assistant U. S. Attorney.

MOTION OF UNITED STATES FOR DECREE

(Filed October 17, 1938)

Comes now the plaintiff by its attorney, John C. Lehr, United States Attorney, and upon all the pleadings and all the evidence respectfully moves that this Court enter a Decree ordering and determining:

1. That there is due to the plaintiff from the Estate of John P. Paul the sum of $31,352.12, together with interest thereon at the rate of 1% per annum from February 19, 1933, to October 24, 1933, and at the rate of 6% per annum from that date until fully paid.

2. That the United States has a lien for unpaid estate taxes upon all the property described in the Bill of Complaint, effective from May 5, 1926, and that said lien is prior and superior to the liens of any subsequent mortgagees and to the liens for local taxes.

3. That the United States Marshal offer the real estate involved for sale at public auction, with instructions to first offer each parcel of real estate separately, and sell the same to the highest bidder. Except for those parcels which were mortgaged prior to the death of John P. Paul, all the said parcels of real estate are to be sold free and clear of any and all encumbrances, including local taxes. After the payment of the costs of said sale, the proceeds shall be applied to the satisfaction of the claims of the United States for Federal estate taxes, the balance to be applied in accordance with the Court's determination of the junior equities.

JOHN C. LEHR,
United States Attorney,

By J. THOMAS SMITH,
Assistant United States Attorney.

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FINDINGS OF FACT AND CONCLUSIONS OF LAW

(Filed August 12, 1940)

This Court hereby makes findings of fact and conclusions of law as follows:

Findings of Fact

1. This is a civil suit, in equity, seeking the foreclosure of a Federal estate tax lien arising under the laws of the United States, providing for internal revenue and the collection thereof; plaintiff being a corporation sovereign and body politic, and the defendants being the heirs and assignees of John P. Paul, deceased, and their assignees and mortgagees, and the taxing authorities of the State of Michigan.

2. John P. Paul, a resident of the City of Detroit, Wayne County, Michigan, died intestate on May 5, 1926, leaving heirs as follows: Lena Paul, his widow, and John W. Paul, Frederick P. Paul, Nettie B. Paul, Riney T. Paul, Amelia L. Paul and Charles P. Paul, his children.

3. That Lena Paul, widow of said John P. Paul, died intestate on February 18, 1931; that Charles P. Paul died prior to the institution of this suit, leaving no children, and that the defendant Florence H. Paul, his wife and sole heir, was appointed administratrix of the Estate of Charles P. Paul by the Probate Court of Wayne County, Michigan, on the 16th day of December, 1931.

4. That on or about July 5, 1927, Lena Paul, describing herself as "widow of John P. Paul and joint-owner with him of all his properties," executed and filed in the office of the Collector of Internal Revenue a Federal estate tax return for the estate of said John P. Paul, deceased, reporting a gross estate of $492,902.00, deductions of $329,823.49, a net estate of $164,078.51, and a tax liability of $3,450.00, which was duly paid.

5. That the Commissioner of Internal Revenue notified said Lena Paul by letter dated March 14, 1930, addressed to "Lena

Paul, beneficiary, Estate of John P. Paul," of a proposed deficiency in estate tax in the sum of $23,271.84, and advised her of her right to file an appeal with the United States Board of Tax Appeals.

6. That on or about May 10, 1930, an appeal entitled "Appeal of Estate of John P. Paul, Lena Paul, beneficiary, Docket No. 48933" was filed with the United States Board of Tax Appeals.

7. That on November 4, 1932, said United States Board of Tax Appeals entered an order in connection with the appeal of the Estate of John P. Paul, determining that there was an estate tax deficiency due plaintiff in the sum of $23,271.84.

8. That no proceedings were had or appeal taken from said order of the Board of Tax Appeals entered on November 4, 1932, determining the Federal estate tax liability of said estate of John P. Paul, deceased.

9. That in accordance with the applicable provisions of revenue laws of the United States, interest on said deficiency of $23,271.84 due from the Estate of John P. Paul, deceased, accrued at the rate of six per cent (6%) per annum from May 5, 1927, to February 19, 1933; and that said interest on the deficiency to February 19, 1933, amounted to $8,080.28.

10. That on February 19, 1933, the Commissioner of Internal Revenue duly assessed against the Estate of John P. Paul, deceased, said deficiency in the principal amount of $23,271.84 on account of said estate tax liability as finally determined by the United States Board of Tax Appeals, together with interest on said deficiency in the sum of $8,080.28.

11. That no part of said tax deficiency or interest has been paid.

12. That at the time of the death of John P. Paul he, together with his wife, Lena Paul, owned and held legal title to a tenancy by the entirety in all the parcels of real estate described in the bill of complaint, except parcels numbered 2a,

4, 21, 25, 35, 36, and parcels 40 to 47 inclusive, as numbered in the bill of complaint filed in this cause.

13. That at the time of the death of John P. Paul he, together with his wife, Lena Paul, owned and held land contracts covering parcels numbered 2a, 4, 21, 25, 35 and 36, as numbered in the bill of complaint. These parcels were listed as part of the gross estate of John P. Paul in the Federal Estate Tax return filed by Lena Paul. Deeds to each of these parcels, except parcel No. 36, were later delivered by the vendors in the contract to Lena Paul, the widow, or to certain of the children of John P. Paul, in accordance with the terms of the contract.

14. That the land contract covering parcel 36 as numbered in the bill of complaint is now held by the Paul heirs. There remains a balance of $1,900.00 on the purchase price due to Harry E. Barnard, the vendor.

15. That parcels numbered 40 to 47 inclusive, as numbered in the bill of complaint, were conveyed by John P. Paul and Lena Paul, his wife, to certain of their children within two years before the date of the death of John P. Paul. These parcels were treated by the Commissioner of Internal Revenue as part of the gross estate of John P. Paul, as property conveyed in contemplation of death. Said conveyances were made on the dates and in the manner hereinafter described:

Parcels 40, 41, 42, 43, and 44 were conveyed by John P. Paul and Lena Paul, his wife, to Nettie Paul, unmarried, by Warranty Deed dated June 22, 1925.

Parcel 45 was conveyed by John P. Paul and Lena Paul, his wife, to Amelia L. Paul, single, by Warranty Deed dated July 10, 1925 and recorded October 20, 1925.

Parcel 46 was conveyed by John P. Paul to Amelia L. Paul by Warranty Deed dated May 1, 1925 and recorded June 16, 1925.

Parcel 47 was conveyed by John P. Paul and Lena Paul, his wife, to Nettie B. Paul by Warranty Deed dated October 5, 1925 and recorded June 4, 1926.

16. On February 13, 1931 Lena Paul, widow of John P. Paul, executed an instrument granting to John W. Paul, Frederick P. Paul, Nettie B. Paul, Riney F. Paul, Amelia L. Paul, and Charles P. Paul, children of John P. Paul, all her right, title and interest in any and all real estate standing in her name or in which she had any interest by purchase, inheritance, right of succession or otherwise, located and being in the County of Wayne and State of Michigan (except the homestead property known as 207 King Avenue, Detroit, Michigan). This instrument was recorded on June 20, 1931 in Liber 3613 of Deeds, on page 291, in the office of the Register of Deeds for Wayne County, Michigan. On the same date, February 13, 1931, Lena Paul, widow of John P. Paul, executed a deed conveying the homestead property located at 207 King Avenue, Detroit, Michigan, hereinafter referred to in Parcel 19, as numbered in the bill of complaint, to John W. Paul and Nettie B. Paul, present record owners of the property. Said deed was recorded on September 28, 1933 in Liber 4012 of Deeds, on page 173, in the office of the Register of Deeds for Wayne County, Michigan.

17. That by virtue of mesne conveyances between the Paul children, by Quit Claim deeds dated September 27, 1933 and April 12, 1934, record title to parcels numbered 2a, 3, 5, 6, 8, 12, 14, 15, 16, 17, 21, 22, 23, 24, 26, 27, 28, 29, 30, 32, 33, 34, 35, 37, 39, 42, 43, 44, 45, 47, 48, 49, and 50, as numbered in the bill of complaint, is now held by Frederick H. Paul and Ruby, his wife, as joint tenants.

18. That by virtue of mesne conveyances between the Paul children by Quit Claim deeds dated September 27, 1933, record title to parcels numbered 4, 9, 10, 11, 18, 20, 21 and 38, as numbered in the bill of complaint, is now held by John W. Paul, single, and Nettie B. Paul, unmarried.

19. The parcels of real estate numbered 2a, 3, 5, 6, 12, 13, 14, 15, 16, 17, 21, 22, 24, 25, 26, 27, 28, 30, 33, 37, 39, 45, 46, 48 and 49 in the bill of complaint are not mortgaged or otherwise encumbered, except for Federal, state, county and city taxes as hereinafter stated. The mortgage on parcel number 45, alleged in the bill of complaint to have been made to the Union Investment Company for $3,000.00 on August 18, 1934 and recorded on August 30, 1934 in Liber 2747, at page 609 of Wayne County records, was discharged on March 11, 1935. The defendant, the Union Investment Company, no longer has any interest in this property and is subject to no liability for costs or otherwise, to the plaintiff or to the other parties to this cause, arising out of this controversy.

20. The following parcels of real estate, as numbered in the bill of complaint, were mortgaged before the death of John P. Paul, in the amounts and on the dates hereinafter stated.

Parcel 9 was mortgaged to the Detroit Bank for $35,000.00 on September 22, 1924, said mortgage being recorded September 23, 1924 in Liber 1371, page 118 of Mortgages, Wayne County Records. This mortgage was foreclosed and sold by Sheriff's deed dated May 18, 1934. It was bid in by the Detroit Bank for $51,298.68. The total amount due at that date, including principal, interest and advances made by the mortgagee, was $51,298.68. Under the Michigan Moratorium Law the equity of redemption under this foreclosure has been extended to November 1, 1938, and the parcel is now being held and operated by Ernest H. King, receiver. At the time of the sale the principal amount due was $17,446.00. Taxes for years subsequent to 1929, advanced by the Detroit Bank before the Sheriff's sale, totalled $29,963.54. The Detroit Bank has received no payments from the receiver.

Parcel 18 was mortgaged on June 8, 1923, to Edward H. Rogers for the sum of $10,000.00, said mortgage being recorded June 9, 1923 in Liber 1210, page 412 of Mortgages, Wayne County Records. The principal amount due under this

mortgage is $10,000.00, together with interest from July 1, 1932.

Parcel 19 was mortgaged to George S. Hickey for $12,000.00 on March 1, 1920, by a mortgage recorded March 15, 1920 in Liber 970 of Mortgages, page 360, Wayne County Records. This mortgage is now owned by T. Paul Hickey and Julia Blanche Hickey by her guardian, Howard J. Ely, heirs at law of George S. Hickey, deceased. The present amount due under said mortgage is $12,000.00, together with unpaid interest of $1,915.00 to July 1, 1938.

Parcel 20 was mortgaged to the Detroit Bank on April 24, 1920, by mortgage recorded May 4, 1920 in Liber 986, page 400 of Mortgages, Wayne County Records. The mortgage was foreclosed and sold by Sheriff's deed, dated May 18, 1934, and was bid in by the Detroit Bank for $1,791.74, the total amount due at that time, including principal, interest and advances made by the mortgagee. Under the Michigan Moratorium Law the equity of redemption under this foreclosure has been extended to November 1, 1938, and the parcel is now being held and operated by Ernest H. King, receiver. At the time of the sale the principal amount due was $810.20. Taxes for years subsequent to 1929, advanced by the Detroit Bank before the Sheriff's sale, totalled $916.59. The Detroit Bank has received no payments from the receiver.

Parcel 23 is subject to a mortgage of $6,000.00, made to E. C. Childes of Windsor, Ontario. The present amount due under this mortgage is $6,000.00 principal, together with interest from January 1, 1932.

Parcel 29 was mortgaged to the Detroit Trust Company on November 6, 1907, in the amount of $2,000.00, by mortgage recorded November 7, 1907 in Liber 502, page 204 of Mortgages, Wayne County Records. The present amount due under this mortgage is $2,000.00 principal, together with interest from November 1, 1935.

Parcel 24 was mortgaged to the Union Trust Company on December 1, 1923, in the amount of $6,000.00, by mortgage recorded December 4, 1923 in Liber 1305, page 180 of Mortgages, Wayne County Records. This mortgage is now held by E. B. Finley, Jr., M. E. Bowlus and E. A. Edwards, liquidating trustees under declaration of trust recorded in Wayne County in Liber 4166 of Deeds, page 305. At present the amount due under this mortgage is $3,962.30, together with interest from May 1, 1938.

Parcel 35 was mortgaged to Peoples Wayne County Bank on April 16, 1925, in the amount of $4,500.00, by mortgage recorded April 17, 1925 in Liber 1478, page 64 of Mortgages, Wayne County Records. This mortgage was foreclosed and the property bid in by B. C. Schram, the then holder of the mortgage, and sold by Sheriff's deed dated July 14, 1937. At the time of the sale the total amount due under this mortgage was $2,808.33.

Parcels 40, 41, 42 and 43 were mortgaged to the Detroit Trust Company on July 29, 1903, in the amount of $14,350.00, by mortgage recorded July 31, 1903 in Liber 441, page 345 of Mortgages, Wayne County Records. The present amount due under said mortgage is $14,275.65, together with interest from July 1, 1935.

Parcel 44 was mortgaged to the Detroit Trust Company by mortgage dated November 6, 1907, in the amount of $1,000.00, by mortgage recorded November 7, 1907 in Liber 502, page 202. The present amount due under this mortgage is $1,000.00 principal, together with interest from November 1, 1935.

21. The following parcels of real estate, as numbered in the bill of complaint, are subject to mortgages executed by Lena Paul, widow of John P. Paul and surviving tenant by the entirety, or by the Paul children, after the death of John P. Paul, in the amounts and on the dates hereinafter described. The mortgages made to the Detroit Bank, as hereinafter described, were foreclosed by advertisement and sold at Sheriff's

sale on May 18, 1934. The properties were bid in by the Detroit Bank for the total amount of indebtedness then due, including principal, interest and advances made by mortgagee. Upon application of the equity owners the equity of redemption under these foreclosures has been extended, under the Michigan Moratorium Law, to November 1, 1938, and Ernest H. King was appointed receiver of the properties until that date. The receiver has made no payments to the Detroit Bank since his appointment.

Parcel 1 was mortgaged to the Detroit Bank in the amount of $20,000.00 on July 23, 1930, by mortgage recorded July 25, 1930 in Liber 2506, page 207 of Mortgages, Wayne County Records. The total amount bid at the Sheriff's sale was $35,555.79. At the time of sale the principal amount due was $18,953.50. Taxes for years subsequent to 1929, advanced by the Detroit Bank before the Sheriff's sale, totalled $13,689.35. The Detroit Bank also advanced $84.00 for insurance.

Parcel 2 was mortgaged to the Detroit Bank on February 8, 1927, in the amount of $18,000.00, by mortgage recorded February 15, 1927 in Liber 1898, page 1 of Mortgages, Wayne County Records. The total amount bid at the Sheriff's sale was $16,793.77, the total amount due at that time, including principal, interest and advances made by the mortgagee. At the time of sale the principal amount due was $11,570.79. Taxes for years subsequent to 1929, advanced by the Detroit Bank before the Sheriff's sale, totalled $3,204.79. The Detroit Bank also advanced $20.50 for insurance.

Parcel 4 was mortgaged on October 9, 1926, to the Detroit Bank in the amount of $20,000.00, by mortgage recorded in Liber 1927, page 387 of Mortgages, Wayne County Records. The total amount bid at the Sheriff's sale was $20,875.23, the total amount due at that time, including principal, interest and advances made by the mortgagee. At the time of the sale the principal amount due was $15,129.20. Taxes for years subsequent to 1929, advanced by the Detroit Bank before the

Sheriff's sale, totalled $3,404.95. The Detroit Bank also advanced $34.00 for insurance. Legal title to this parcel was never held by John P. Paul, who had only a contract right at the time of his death. Legal title was conveyed to Lena Paul on September 21, 1926.

Parcel 7 was mortgaged to the Detroit Bank on October 8, 1927, in the amount of $15,000.00, by mortgage recorded November 7, 1927 in Liber 2041, page 136 of Mortgages, Wayne County Records. The total amount bid at the Sheriff's sale was $15,258.88. At the time of sale the principal amount due was $12,913.45. Taxes for years subsequent to 1929, advanced by the Detroit Bank before the Sheriff's sale, totalled $341.28.

Parcel 8 was mortgaged to the Detroit Bank on June 22, 1931, in the amount of $28,000.00, by mortgage recorded June 30, 1931 in Liber 2601, page 272 of Mortgages, Wayne County Records. The total amount bid at the Sheriff's sale was $37,288.36. At the time of sale the principal amount due was $28,000.00. Taxes for years subsequent to 1929, advanced by the Detroit Bank before the Sheriff's sale, totalled $4,235.58. The Detroit Bank also advanced $198.30 for other items.

Parcel 10 was mortgaged to the Detroit Bank on October 8, 1927, in the amount of $25,000.00, by mortgage recorded October 12, 1927 in Liber 2027, page 356 of Mortgages, Wayne County Records. The total amount bid at the Sheriff's sale was $27,064.61. At the time of sale the principal amount due was $21,405.61. Taxes for years subsequent to 1929, advanced by the Detroit Bank before the Sheriff's sale, totalled $2,213.06.

Parcel 11 was mortgaged to the Detroit Bank on August 1, 1929, in the amount of $18,000.00, by mortgage recorded August 5, 1929 in Liber 2363, page 440 of Mortgages, Wayne County Records. The total amount bid at the Sheriff's sale was $20,324.05. At the time of sale the principal amount due was $14,436.30. Taxes for years subsequent to 1929, ad-

vanced by the Detroit Bank before the Sheriff's sale, totalled $3,348.86.

Parcel 31 was mortgaged to the Detroit Bank in the amount of $13,400.00, on July 11, 1928, by mortgage recorded July 16, 1928 in Liber 2171, page 528 of Mortgages, Wayne County Records. The total amount bid at the Sheriff's sale was $14,257.34. At the time of sale the principal amount due was $10,842.70. Taxes for years subsequent to 1929, advanced by the Detroit Bank before the Sheriff's sale, totalled $1,590.41.

Parcel 32 was mortgaged to the Detroit Bank on July 11, 1928, in the amount of $9,000.00, by mortgage recorded July 16, 1928 in Liber 2171, page 525 of Mortgages, Wayne County Records. The total amount bid at the Sheriff's sale was $9,467.99. At the time of sale the principal amount due was $7,317.70. Taxes for years subsequent to 1929, advanced by the Detroit Bank before the Sheriff's sale, totalled $944.87.

Parcel 38 was mortgaged to the Detroit Bank on July 16, 1928, in the amount of $12,500.00, by mortgage recorded July 19, 1928 in Liber 2174, page 76 of Mortgages, Wayne County Records. The total amount bid at the Sheriff's sale was $13,220.43. At the time of sale the principal amount due was $10,121,70. Taxes for years subsequent to 1929, advanced by the Detroit Bank before the Sheriff's sale, totalled $1,434.08.

Parcel 47 was mortgaged to Peninsular State Bank on July 30, 1929, in the amount of $5,000.00, by mortgage recorded July 31, 1929 in Liber 2360, page 435 of Mortgages, Wayne County Records. This mortgage was assigned to the First National Bank-Detroit and was foreclosed on March 20, 1936, and bid in by the First National Bank-Detroit for the sum of $4,400.00. There was due at the time, on account of the mortgage, $5,272.97. The Sheriff's deed is now held by E. C. Schram, Receiver of the First National Bank-Detroit.

Parcel 50 was mortgaged to Security Trust Company on October 12, 1926, in the amount of $2,500.00, by mortgage recorded October 14, 1926 in Liber 1828, page 429 of Mort-

gages, Wayne County Records. This mortgage is now in the hands of the Detroit Trust Company and the present amount due thereunder is $1,937.50, together with interest thereon from November 2, 1935.

22. The Estate of John P. Paul was not probated and there are no assets other than the above mentioned parcels of real estate, from which the Federal estate tax in question can be collected.

23. The unpaid state, county and city taxes and assessments assessed against the above mentioned parcels are set forth in schedules attached to the stipulation in this cause and marked "Exhibit C," and are hereby made a part of these findings of fact. These unpaid taxes are for different years and on different pieces of property, none of which extend any further back than 1930.

24. Tax certificates for city taxes for the year 1930 are owned and held by the defendant Mary Emily Wiltsie Field. The face amounts of the outstanding certificates are shown on supplementary stipulation attached to the stipulation in this cause and marked "Exhibit D," which is hereby made a part of these findings of fact.

25. That at the time that the Detroit Bank loaned money upon the security of mortgages covering Parcels 1, 2, 4, 7, 8, 9, 10, 11, 20, 31, 32 and 38, respectively, and at the times it acquired mortgages on said parcels, it had no actual knowledge that plaintiff had or claimed to have any claim, lien or charge on said parcels with respect to estate taxes payable by the Estate of John P. Paul, deceased.

26. That The Detroit Bank acquired mortgages covering said parcels mentioned in the paragraph above, in good faith, for value, and without actual knowledge that plaintiff had or claimed to have any lien, claim or charge on any of said parcels of property.

27. That at the time the Detroit Trust Company loaned money upon the security of mortgage covering Parcel 50, and

at the time it acquired mortgage on that parcel, it had no actual knowledge plaintiff, United States of America, had or claimed to have any lien upon said property.

28. That notice of Federal Estate Tax lien herein sought to be foreclosed by plaintiff was first filed by it in the office of the Register of Deeds for Wayne County, Michigan, on December 26, 1935.

29. That notice of the lien herein sought to be foreclosed and filed with the Register of Deeds as above described, did not contain a specific description of the property against which said notice of lien was filed.

30. That John W. Paul, Frederick P. Paul, Nettie B. Paul, Amelia L. Paul, Riney T. Paul and Charles Paul, deceased, were the children and natural heirs of John P. Paul, deceased, and Lena Paul, deceased.

31. That the defendants John W. Paul, Frederick P. Paul, Nettie B. Paul, Amelia L. Paul, Riney T. Paul, Charles Paul, deceased, and Florence Paul, administratrix of the estate of Charles Paul, gave no consideration either to John P. Paul or Lena Paul, either in money, property or services for any of the real property involved in this proceeding, but acquired it as donees and heirs of their mother, Lena Paul, the surviving tenant by the entirety of John P. Paul, deceased.

32. That except for the parcels of real estate conveyed by John P. Paul less than two years prior to his death, neither John W. Paul, Frederick P. Paul, Nettie B. Paul, Amelia L. Paul, Riney T. Paul, Charles Paul, deceased, nor Florence Paul, administratrix of the estate of Charles Paul, acquired any legal or equitable interest in any of the real property involved in this proceeding prior to the death of John P. Paul.

Conclusions of Law

1. The Court has jurisdiction of the parties and subject matter of this cause.

2. By virtue of the assessment made by the Commissioner of Internal Revenue, on February 19, 1933, pursuant to a decision of the United States Board of Tax Appeals, which had become final, there is now due to the plaintiff from the Estate of John P. Paul the sum of $31,352.12, together with interest thereon at the rate of 1% per month from February 19, 1933, to October 24, 1933, and at the rate of 6% per annum from that date until fully paid.

3. That the plaintiff, the United States, has a lien for the unpaid Federal Estate Tax on all the property described in the bill of complaint, effective from May 5, 1926, the date of the death of John P. Paul.

4. That the lien of the United States is prior in time and superior in right to the liens created by any mortgages executed subsequent to the date of the death of John P. Paul, and to the liens for state, county and city taxes.

5. That the Federal Estate Tax lien created by Section 315 (a) of the Revenue Act of 1926, is separate and distinct from the general tax lien created by Section 3186 (a), as amended by Section 613 (a) of the Revenue Act of 1928.

6. That Section 3186 (b), as amended, requiring the filing of notice of liens created by Section 3186 (a), as amended, does not apply to the Federal Estate Tax liens created by Section 315 (a) of the Revenue Act of 1926.

7. That notice of the Federal Estate Tax lien created by Section 315 (a) of the Revenue Act of 1926 need not be recorded or filed in order for said lien to prevail against subsequent purchasers, mortgagees, and judgment creditors.

8. That the lien of the plaintiff, United States of America, is inferior and subordinate to mortgages on parcels 9, 18, 19, 20, 23, 24, 29, 35, 40, 41, 42, 43 and 44, inasmuch as these mortgages were placed upon the property prior to the death of John P. Paul.

9. That the purported oral promise of John P. Paul to convey an interest in his property to the Paul heirs did not constitute a valid, legal or equitable charge on any of the real property involved in this proceeding.

10. That the testimony purporting to show an oral promise made by John P. Paul to convey an interest in his real property is inadmissable as seeking to establish an interest in real estate by parol testimony and is not material to the controversy involved in this proceeding.

11. That John W. Paul, Frederick P. Paul, Nettie B. Paul, Amelia L. Paul, Riney T. Paul, Charles Paul, deceased, and Florence Paul, administratrix of the estate of Charles Paul, were not purchasers for value of any of the real property involved in this proceeding.

12. That the lien of the United States for unpaid federal estate taxes due from the estate of John P. Paul is paramount and superior to any and all rights or interests held, or claimed to be held, by the Paul children in any of the real property involved in this proceeding.

13. That the plaintiff, United States of America, is entitled to a decree foreclosing its lien against all of the property described in said bill of complaint, except parcels 9, 18, 19, 20, 23, 24, 29, 35, 40, 41, 42, 43, and 44.

14. That the defendants are entitled to have the assets marshaled and those parcels of real estate which are unencumbered except for taxes and which are owned by persons who are direct or indirect beneficiaries of the estate of John P. Paul, deceased, to wit: Parcels 2a, 3, 5, 6, 12, 13, 14, 15, 16, 17, 21, 22, 24, 25, 26, 27, 28, 30, 33, 37, 39, 45, 46, 48, and 49, be sold first to satisfy the claim of the plaintiff; and Parcels 1, 2, 4, 7, 8, 10, 11, 31, 32, 38, 47, and 50 be not sold until that part held by the beneficiaries of John P. Paul has been sold and it is found that the proceeds from such are not sufficient to satisfy the plaintiff's claim, in which event those parcels above mentioned shall then be sold.

15. Plaintiff shall submit a decree in conformity with the findings.

EDWARD J. MOINET,
United States District Judge

STIPULATION FOR THE AMENDMENT OF FINDINGS OF FACT

(Filed December 9, 1940)

IT IS HEREBY STIPULATED by and between the undersigned parties, by their respective attorneys, that that parcel of property described as:

> Lot 69 of Williams Subdivision of Park Lots 1, 2, 3 and 4, according to the plat thereof recorded in Liber 1, page 39, of Plats, Wayne County Records,

which is included in the original stipulation of facts and findings of fact as a part of Parcel No. 5, as numbered in the Bill of Complaint, has been owned since 1912 by the defendant Nettie Paul; that said parcel was not the property of the decedent John P. Paul on the date of his death; that it was not a part of his gross estate from which the federal estate taxes in question arise, and that the plaintiff, the United States, has no lien upon said lot.

IT IS FURTHER STIPULATED that the findings of fact entered by the Court on August 12, 1940, may be amended to state that said Lot 69 from Parcel 5, as numbered in the Bill of Complaint, was not a part of the gross estate of the decedent John P. Paul at the time of his death.

The Court is hereby respectfully requested to enter an order so amending the findings of fact.

JOHN C. LEHR,
United States Attorney

CARL J. MAROLD,
Assistant United States Attorney,
Attorneys for Plaintiff

CHARLES A. LORENZO,
Attorney for John W. Paul, Frederick P. Paul, Ruby H. Paul, his wife, Nettie Paul, Riney Paul, and Amelia Paul.

ORDER AMENDING FINDINGS OF FACT

(Filed December 9, 1940)

At a session of the above Court held in the Federal Building, Detroit, Michigan, on the 9th day of December, A. D. 1940.

PRESENT: Honorable Edward J. Moinet, United States District Judge.

Upon stipulation of the interested parties, IT IS HEREBY ORDERED, that the findings of fact entered by this Court on August 12, 1940, be, and the same hereby are, amended to include the following finding:

That parcel of Real Estate described as:

> Lot 69 of Williams subdivision of Park Lots 1, 2, 3 and 4, according to the plat thereof recorded in Liber 1, page 39, of Plats, Wayne County Records,

included as a part of Parcel 5, as numbered in the Bill of Complaint, has been owned by the defendant Nettie Paul since 1912; that said lot was not the property of the decedent John P. Paul at the time of his death, formed no part of the gross estate of the decedent John P. Paul, and the plaintiff has no lien upon said lot on account of unpaid estate taxes due from the estate of John P. Paul.

EDWARD J. MOINET,
United States District Judge.

COMPUTATION OF AMOUNT OF JUDGMENT

(Filed December 9, 1940)

Estate Tax assessed Feb. 19, 1933	$23,271.84	
Interest Assessed Feb. 19, 1933	8,080.28	
Total Tax & Interest Assessed	$31,352.12	$31,352.12
Interest on $31,352.12 at 1% per month from Feb. 19, 1933 to October 24, 1933		2,559.71
Interest on $31,352.12 at 6% per year from October 24, 1933 to December 9, 1940		13,401.95
Total Tax and Interest to date of entry of Decree, as per Conclusion of Law No. 2		$47,313.78

DECREE

(Entered December 9, 1940)

This cause came on to be heard before the Court on November 14, 1938, and again on April 17, 1939. A stipulation of facts, signed by the attorneys for all the parties was filed, testimony of witnesses was introduced, written briefs were submitted, and the Court took the case under advisement.

Upon consideration of the pleadings, the stipulation of facts, the evidence introduced, the briefs, and the arguments of counsel, and the Court being fully advised of the premises, in accordance with the findings of fact and conclusions of law heretofore filed,

IT IS ORDERED, ADJUDGED, AND DECREED that there is now due and owing to the plaintiff, United States of America, from the Estate of John P. Paul, the sum of $47,313.78, together with interest thereon at the legal rate from this date until paid, as federal estate taxes and interest arising from said Estate; that the plaintiff, United States of America, has a lien, for said unpaid federal estate taxes and interest on all the real property described in the bill of complaint, except Parcel 50 and Lot 69 of Parcel 5, as numbered in the bill of complaint, effective from May 5, 1926, the date of the death of John P. Paul; that the said lien of the United States of America is prior in time and paramount and superior in right to any and all liens in favor of the defendant mortgagees created by any of the mortgages on parcels Nos. 1, 2, 4, 7, 8, 10, 11, 31, 32, 38, and 47, as numbered in the bill of complaint, since said mortgages were executed subsequent to May 5, 1926; that said lien of the United States of America upon all of the property involved in this proceeding is prior in time and paramount and superior in right to the liens of the defendants, State of Michigan, the County of Wayne, the City of Detroit, and the City of Highland Park, for unpaid state, county, or city real estate taxes, and to the liens or

rights of the holders of tax certificates or tax deeds purchased from the City of Detroit; that defendants, John W. Paul, Nettie B. Paul, Amelia L. Paul, Riney T. Paul, and Florence Paul, administratrix of the Estate of Charles Paul, deceased, were not purchasers for value of any of the real estate involved in this proceeding, but derived their title to said property as heirs of John P. Paul and Lena Paul, his wife, and that the said lien of the United States upon all the property involved in this cause is paramount and superior to any and all rights or interests held or claimed to be held by said defendants, John W. Paul, Nettie B. Paul, Amelia L. Paul, Riney T. Paul, and Florence Paul, administratrix of the estate of Charles Paul, deceased, in any of the real estate involved in this proceeding; that the lien of the plaintiff, United States of America, upon the real estate described in the bill of complaint as parcels numbered 9, 18, 19, 20, 23, 34, 29, 35, 40, 41, 42, 43, and 44 is inferior and subordinate to the liens created by the mortgages in favor of the defendant mortgagees and executed upon these parcels prior to the death of John P. Paul.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that unless the said sum of money herein found to be due to the plaintiff is paid within ten days from the entry of this decree, an order of sale shall issue to the United States Marshal for this District commanding him to advertise and sell, at public sale, to the highest bidder or bidders, the parcels of real estate hereinafter described. Said sale shall be held at the south entrance of the Wayne County Building in the City of Detroit, Michigan. The Marshal shall give public notice of the time and place of said sale by publication of notices of such sale in one newspaper, printed, regularly issued and having a general circulation in said county, once each week for four successive weeks beginning not less than twenty-eight days prior to the date of sale. Said notice of sale shall contain a description of the property to be sold and otherwise conform to the practice of this Court and the law relating to judicial

sales. The plaintiff or any other of the parties to this suit may become purchaser or purchasers at such sale and upon confirmation of said sale by this Court the said Marshal shall execute a deed or deeds to the purchaser or purchasers of said property at said sale.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that said sale shall be conducted in the following manner. Said Marshal shall first offer for sale separately in the order named the parcels of real estate numbered in the bill of complaint as 2a, 3, 5, 6, 12, 13, 14, 15, 16, 17, 21, 22, 24, 25, 26, 27, 28, 30, 33, 37, 39, 45, 56, 58, and 49, described as follows:

Parcel 2a. Lot 32 Houghton Section of the Brush Farm, North of Gratiot Avenue, as subdivided into lots by J. Abrey, according to the plat thereof recorded in Liber 7, page 174, of City records in the office of the Register of Deeds for the County of Wayne. Also known as 402-6 Elizabeth Street, East, the southeast corner of Elizabeth and Brush Streets, and 412 to 14 Elizabeth Street, East, City of Detroit, Michigan.

Parcel 3. Lots 6, 7, and 8 of the South part of Out Lot 174 Lambert Beaubien Farm, according to the plat thereof recorded in Liber 1, page 22 of Plats, Wayne County Records. Also known as 424 Elizabeth Street, East, and 428-34 Elizabeth Street, East, City of Detroit, Michigan.

Parcel 5. Lots 67, 68 and 69 of Williams Subdivision of Park Lots 1, 2, 3, and 4, according to the plat thereof recorded in Liber 1, page 39, of Plats, Wayne County Records. Also known as 215-219 Elizabeth Street, East, City of Detroit, Michigan.

Parcel 6. The East 30 feet of Lot 28, Houghton Section of the Brush Farm, north of Gratiot Avenue, as subdivided into lots by J. Abrey, according to the plat thereof recorded in Liber 7, page 174, of City Records in the office of the Register of Deeds for the County of Wayne. Also known as 264 Elizabeth Street, East, City of Detroit, Michigan.

Parcel 12. Lots 23, Block 31, of Fisher & Shearer's subdivision of Park Lots 30 and 31, according to the plat thereof recorded in Liber 1, page 7 of Plats, Wayne County Records. Also known as 265 Canfield Avenue, City of Detroit, Michigan.

Parcel 13. Rear North 38 feet of the South 76 feet of Lots 42 and 43 of Hubbard & King's Subdivision of Park Lot 46, according to the plat thereof recorded in Liber 6, page 86 of Plats, Wayne County Records. Also known as 6039-41 John R. Street, West side, City of Detroit, Michigan.

Parcel 14. South 38 feet of Lots 42 and 43 of Hubbard and King's Subdivision of Park Lot 46, according to the plat thereof recorded in Liber 6, page 86 of Plats, Wayne County Records. Also known as 6047 John R. Street, West side, City of Detroit, Michigan.

Parcel 15. Lot 104 of P. McGinnis' Subdivision of Lots 1 to 9, inclusive, of McCune's Subdivision of part of fractional Section 31, according to the plat thereof recorded in Liber 4, page 93 of Plats, Wayne County Records. Also known as 286 Baltimore E., Ave., City of Detroit, Michigan.

Parcel 16. Lot 37 Frisbee and Foxen's Subdivision of part of fractional section 31 and Lot 18 of Theodore J. and Denis J. Campau's subdivision of fractional sections 29 and 32, T. 1 S., R. 12 E., according to the plat thereof recorded in Liber 6, page 78 of Plats, Wayne County Records. Also known as 301 Milwaukee Ave., E., City of Detroit, Michigan.

Parcel 17. Lot 77 and the Westerly 1 foot to the rear of Lot 78 of Lowe's subdivision of Lot 1, Quarter Section 44, T. T. A. T., Hamtramck, Wayne County, Michigan, according to the plat thereof recorded in Liber 8, page 26 of Plats, Wayne County Records. Also known as 656 Euclid Ave., E., City of Detroit, Michigan.

Parcel 21. Lot 35, Crane & Wesson's Subdivision of Out Lot 173, Lambert Beaubien Farm, according to the plat thereof recorded in Liber 35, page 201 of Deeds, Wayne

County Records. Also known as 2018-22 Beaubien Street, City of Detroit, Michigan,

Parcel 22. Lot 9, Blocks 2 and 3, Van Dyke Section of the Antoine Beaubien Farm, according to the plat thereof recorded in Liber 1, page 122 of Plats, Wayne County Records. Also known as 548 Vernor Highway, East, City of Detroit, Michigan.

Parcel 24. Lot 113 of Crane & Wesson's Subdivision of the L. Moran Farm, North of Gratiot Avenue, according to the plat thereof recorded in Liber 1, page 125 of Plats, Wayne County Records. Also known as 962 Napoleon Street, City of Detroit, Michigan.

Parcel 25. Lot 42, S. B. Morse's Subdivision of part of Lot 3, North of Gratiot Street, Mullett Farm, Private Claims 7 and 132, according to the plat thereof recorded in Liber 46, page 514 of Deeds, Wayne County Records. Also known as 1336 Alfred Street, City of Detroit, Michigan.

Parcel 26. Lot 47 Miller and Hallock's Subdivision of Lot 9 and part of 10, G. Hunt farm, according to the plat thereof recorded in Liber 5, page 22, of Plats, Wayne County Records. Also known as 3289 Congress Street, City of Detroit, Michigan.

Parcel 27. Lot 11 Wirth's resubdivision of the N. Part of Lot 13, Lieb farm, City of Detroit, Wayne County, Michigan, T. 2 S., R. 12 E., according to the plat thereof recorded in Liber 6, page 83 of plats, Wayne County Records. Also known as 3647 Arndt Street, City of Detroit, Michigan.

Parcel 28. Lot 4, Block 27, of the subdivision of part of James Campau farms, East ½ P. C. 91, according to the plat thereof recorded in Liber 2, Page 18 of Plats, Wayne County Records. Also known as 2253 Watson Street, City of Detroit, Michigan.

Parcel 30. Lot 13, Block 13, of the Plat of Subdivision of the Crane farm, being the rear concession of P. C. 247, between Hancock and Brainard, according to the plat thereof recorded

August 9, 1855, in Liber 60, Page 58, of Deeds, Wayne County Records. Also known as 4438 Fourth Avenue, City of Detroit, Michigan.

Parcel 33. Lot 15, Block 68, and Lot 16, Block 68, of the Cass Western Addition to the City of Detroit, between the Chicago Road and the Grand River Road, according to the plat thereof recorded in Liber 42, pages 138-139, 140 and 141 of Deeds, Wayne County Records. Also known as 2220 Third Street, City of Detroit, Michigan.

Parcel 37. The West 50 feet of Lot 25, Block 94, William L. Woodbridge's Subdivision, Plat of Blocks 93 and 94, and the North part of J. T. Abbott's Lot, Woodbridge Farm, Detroit, Wayne County, Michigan, T. 2 S., R. 12 E., according to the plat thereof recorded in Liber 4, page 82, of Plats, Wayne County Records. Also known as 1528 Perry Street, City of Detroit, Michigan.

Parcel 39. Lot 4 of J. Marr's Subdivision of Lots 40 and 41 and the North 18.5 feet of Lot 39, Thompson Farm, Detroit, Wayne County, Michigan, according to the Plat thereof recorded in Liber 10, Page 94 of Plats, Wayne County Records. Also known as 2903 Twelfth Street, City of Detroit, Michigan.

Parcel 45. Lot 85, Albert Crane's Section of the Thompson Farm, being part of P. C. 227. Late Springwells, now Detroit, Michigan, according to the plat thereof recorded in Liber 1, Page 11, of Plats, Wayne County Records. Also known as 1931 Linden Street, City of Detroit, Michigan.

Parcel 46. Lot 53 and the South 16 feet of Lot 57, of Larned's Subdivision on the Lafferty Farm, according to the plat thereof recorded July 24, 1855, in Liber 60, Pages 2-3 of Deeds, Wayne County Records. Also known as 2515-21 Vermont Street, Detroit, Michigan.

Parcel 48. Lot 232 of Woodruff's Subdivision of Lot 3, Lafferty Farm, P. C. 228, South of Grand River Avenue, according to the plat thereof recorded in Liber 2, Page 32, of

Plats, Wayne County Records. Also known as 1950 Myrtle Street, City of Detroit, Michigan.

Parcel 49. All of Lot 20, and the North 11 feet of Lot 19, Albert Crane's Section of the Labrosse and Baker Farms, being Lots 20 to 33 inclusive of Wesson's Section of the Labrosse and Baker Farms, Detroit, Michigan, according to the plat thereof recorded in Liber 1, Page 123, of Plats, Wayne County Records. Also known as 4123 Sixth Street, City of Detroit, Michigan.

In the event that, after payment of fees and expenses, sufficient money is realized from the sale of one or more of said parcels to satisfy the amount herein found to be due to the plaintiff, United States of America, then further sales will be adjourned until further order of this Court.

If the sale of the above-described parcels of real estate does not produce sufficient money to satisfy the amount herein found to be due to the plaintiff, United States of America, then, and in that event only, the United States Marshal shall at said sale also offer for sale to the highest bidder the parcels of real estate in the order named, numbered in the bill of complaint as 1, 2, 4, 7, 8, 10, 11, 31, 32, 38, and 47, described as follows:

Parcel 1. Lot 73 and the South 9 feet of Lot 70, Houghton Section of the Brush Farm, north of Gratiot Avenue, as subdivided into lots by J. Abrey, according to the plat thereof recorded in Liber 7, page 174, of City Records in the office of the Register of Deeds for County of Wayne. Also known as 1712 Brush Street, the northeast corner of Madison Avenue and Brush Street, City of Detroit, Michigan.

Parcel 2. Lot 31 Houghton Section of the Brush Farm, north of Gratiot Avenue, as subdivided into lots by J. Abrey, according to the plat thereof recorded in Liber 7, page 174, of City Records in the office of the Register of Deeds for the County of Wayne. Also known as 402-6 Elizabeth Street, East, the southeast corner of Elizabeth and Brush Streets,

and 412 to 14 Elizabeth Street, East, City of Detroit, Michigan.

Parcel 4. The North 46.05 feet of Lot 11, of the Plat of Brush subdivision of Park Lot 5 and part of Brush Farm East of and adjoining Park Lots 5 and 4, City of Detroit, made by Edmund Adelaide and Alfred Brush, according to the plat thereof recorded in Liber 45, page 121, of Deeds, Wayne County Records. Also known as 2226-34 Brush Street, the southeast corner of Brush and Montcalm Streets, City of Detroit, Michigan.

Parcel 7. East 60 feet of the West 78.21 feet of Lot 4 of Plat of the subdivision of Lot 13 of the subdivision of Park Lot 5 and part of Brush Farm, according to the plat thereof recorded in Liber 45, page 121, of Deeds, Wayne County Records. Also known as 249-255 Montcalm East, City of Detroit, Michigan.

Parcel 8. The East 55 feet of Lot 4, Plat of Brush subdivision of Park Lot 5 and part of Brush farm east of and adjoining Park Lots 4 and 5, according to the plat thereof recorded in Liber 45, page 121, of Deeds, Wayne County Records. Also known as the Southwest Corner of Vernor Highway and John R Street, City of Detroit, Michigan.

Parcel 10. The South 30 feet of Lots 13 and 14, Winder subdivision of Park Lots 6 and 7, according to the plat thereof recorded in Liber 46, page 561, of Deeds, Wayne County Records. Also known as 2439 John R. Street, West side, City of Detroit, Michigan.

Parcel 11. The North 61.44 feet of Lot 13, and the North 61.44 feet of Lot 14, Block 31, of Fisher & Shearer's subdivision of Park Lots 30 and 31, according to the plat thereof recorded in Liber 1, page 7 of Plats, Wayne County Records. Also known as 4418-20-24 John R. Street, City of Detroit, Michigan.

Parcel 31. Lots 11 and 12, Block 8, of the Plat of Subdivision of the Crane farm, being the rear concession of P. C.

247, between Hancock and Brainard, according to the plat thereof recorded August 9, 1855, in Liber 60, Page 58, of Deeds, Wayne County Records. Also known as 4414-20-22 Fourth Avenue, City of Detroit, Michigan.

Parcel 32. Lot 23, Block 81, Plat of the Subdivision of the Jones farm, north of Grand River Avenue, Detroit, according to the plat thereof recorded in Liber 6, page 7, of Plats, Wayne County Records. Also known as 3486 Fourth Avenue, City of Detroit, Michigan.

Parcel 38. The East 100 feet of Lot 98, McKeown's Subdivision of the South part of Out Lot 96, Woodbridge Farm, City of Detroit, Wayne County, Michigan, T. 2 S., R. 12 E., according to the plat thereof recorded in Liber 3, page 50 of Plats, Wayne County Records. Also known as 3003-7 Trumbull Avenue, City of Detroit, Michigan.

Parcel 47. Lot 28 and the East 12.83 feet of Lot 27, Chidsey's Subdivision of the South half of Lot 4 and the North part of Lot 3, of Quarter Section 4, T. T. A. T. Hamtramck, Wayne County, Michigan, according to the plat thereof recorded in Liber 9, Page 85, of Plats, Wayne County Records. Also known as 13920 John R. Street, the Northeast corner of John R. Street and Gerald Avenue, Highland Park, Michigan.

In the event that sufficient money is realized from the sale of one or more of these parcels of real estate, together with that realized from the other parcels already sold to satisfy the amount herein found to be due the plaintiff, then the sale shall be adjourned until further order of this Court. All of said parcels of real estate described in this decree, which are sold by said Marshal, shall be sold free and clear of any and all incumbrances, including but not limited to all right, title and interest of the defendant mortgages; of the State of Michigan, County of Wayne, and Cities of Detroit and Highland Park for unpaid real estate taxes or special assessments; of the holders of tax titles and tax certificates; and of the plaintiff, United States of America, for federal estate taxes

and interest, or their heirs and assigns, and the liens of said parties shall attach to the proceeds of the sale in the order of their priority as hereinbefore determined.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the said United States Marshal shall out of the proceeds of said sale or sales retain his fees and costs for the holding of said sale, and that he bring the balance of said monies arising from said sale or sales into this Court to abide the further order of this Court.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that jurisdiction of this cause is retained by this Court for the purpose of making such other and further orders or decrees, if any, as may become necessary.

EDWARD J. MOINET,
United States District Judge

Enter
December 9th, 1940.

MOTION TO AMEND FINAL DECREE OF DECEMBER 9, 1940

(Filed March 11, 1941)

The plaintiff, United States of America, hereby moves this Honorable Court to amend the last paragraph appearing on page 3 of the Final Decree which was filed in this cause on December 9, 1940, changing lot numbers erroneously described as numbers 56 and 58 to numbers 46 and 48, as they should have been described, so that as corrected said paragraph will read as follows:

> "IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that said sale shall be conducted in the following manner. Said Marshal shall first offer for sale separately in the order named the parcels of real estate numbered in the bill of complaint as 2a, 3, 5, 6, 12, 13, 14, 15, 16, 17, 21, 22, 24, 25, 26, 27, 28, 30, 33, 37, 39, 45, 46, 48, and 49, described as follows:".

This motion is based upon the files and records of said cause.

Dated this 7th day of March, A. D. 1941.

UNITED STATES OF AMERICA,

JOHN C. LEHR,
United States Attorney

By KENNETH D. WILKINS,
Assistant United States Attorney

ORDER AMENDING DECREE

(Entered March 14, 1941)

At a session of said court continued and held pursuant to adjournment in the District Courtroom in the Federal Building, at the City of Detroit, in said District, on the 14th day of March, A. D. 1941.

PRESENT: Honorable Edward J. Moinet, United States District Judge.

This cause having been brought on to be heard on the Motion to Amend the Final Decree of December 9, 1940, to correct clerical errors appearing therein, and notice having been served upon all parties and there being no opposition, therefore, on motion of the plaintiff,

IT IS HEREBY ORDERED that the last paragraph appearing on page 3 of the Final Decree which was filed in this cause on December 9, 1940, be changed to read as follows:

> "IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that said sale shall be conducted in the following manner. Said Marshal shall first offer for sale separately in the order named the parcels of real estate numbered in the bill of complaint as 2a, 3, 5, 6, 12, 13, 14, 15, 16, 17, 21, 22, 24, 25, 26, 27, 28, 30, 33, 37, 39, 45, 46, 48, and 49, described as follows:"

EDWARD J. MOINET,
United States District Judge.

NOTICE OF APPEAL OF THE DETROIT BANK

(Filed March 4, 1941)

Notice is hereby given that THE DETROIT BANK, (formerly known as The Detroit Savings Bank), a Michigan Banking Corporation, one of the defendants above named, hereby appeals to the United States Circuit Court of Appeals for the Sixth Circuit from a final judgment (styled "Decree") and the whole thereof entered in this action on December 9, 1940, except so much of said judgment as requires that "Said Marshal shall first offer for sale separately in the order named the parcels of real estate numbered in the Bill of Complaint as 2-a, 3, 5, 6, 12, 13, 14, 15, 16,17, 21, 22, 24, 25, 26, 27, 28, 30, 33, 37, 39, 45, 46, 48 and 49."

MILLER, CANFIELD PADDOCK AND STONE,

By EMMETT E. EAGAN,
Attorneys for Appellant and one of the defendants, The Detroit Bank,
3456 Penobscot Building,
Detroit, Michigan.

DATED: March 4, 1941.

BOND ON APPEAL OF THE DETROIT BANK

(Filed March 4, 1941)

KNOW ALL MEN BY THESE PRESENTS: That we, THE DETROIT BANK, a Michigan banking corporation, as principal, and THE TRAVELERS INDEMNITY COMPANY, a Connecticut corporation, as Surety, are held and firmly bound unto the above-named plaintiff, United States of America, in the full and just sum of $250.00 to be paid to the said plaintiff, its successors and assigns, to which payment well and truly to be made we bind ourselves, our successors and assigns, jointly and severally by these presents.

Executed this 4th day of March, A. D. 1941.

The condition of this obligation is such that:

WHEREAS, on the 9th day of December, A. D. 1940, in the above entitled action between the above-named plaintiff, United States of America, and the several defendants above named, including the above-named defendant, The Detroit Bank, a judgment was rendered against the above-named defendants, including the above-named defendant, The Detroit Bank, and The Detroit Bank has appealed to the United States Circuit Court of Appeals for the Sixth Circuit;

NOW, THEREFORE, if the said The Detroit Bank shall pay the costs, if said appeal is dismissed or the judgment affirmed, or such costs as the Appellate Court may award if the judgment is modified, then the above obligation to be void; otherwise in full force and effect.

THE DETROIT BANK,
A Michigan Banking Corporation,

By R. A. BENGE,
Its Vice-President,

And W. BAINBRIDGE,
Its Assistant Cashier,

Bond on Appeal of The Detroit Bank

THE TRAVELERS INDEMNITY COMPANY,
A Connecticut Corporation,

By ARTHUR G. FOX,
Attorney-in-Fact.

DESIGNATION OF THE DETROIT BANK OF CONTENTS OF RECORD ON APPEAL

(Filed March 4, 1941)

THE DETROIT BANK (formerly known as The Detroit Savings Bank), a Michigan banking corporation, appellant and one of the defendants in the above entitled cause, hereby designates the following portions of the record, proceedings and evidence to be contained in the record on appeal in the above entitled action:

1. Bill of Complaint filed by plaintiff and appellee.
2. Appearance of The Detroit Bank, appellant and one of the defendants.
3. Answer of The Detroit Bank, appellant and one of the defendants.
4. Reporter's complete transcript of all of the evidence stenographically reported taken, at the trial of said cause, including exhibits (two complete copies of said Reporter's transcript being filed herewith).
5. Stipulation of facts filed in this cause on July 19, 1938.
6. Request of The Detroit Bank, appellant and one of the defendants for findings of fact and conclusions of law.
7. Amendment to the request of The Detroit Bank, appellant and one of the defendants for findings of fact and conclusions of law.
8. Trial Court's findings of fact and conclusions of law.
9. Stipulation for amendment to findings of fact and conclusions of law.
10. Order amending findings of fact and conclusions of law.
11. The judgment (styled "Decree") entered in this cause on December 9, 1940.
12. Computation of amount of judgment.
13. Notice of appeal with date of filing.

Designation of The Detroit Bank of Contents of Record on Appeal

14. Bond on appeal filed by The Detroit Bank, appellant and one of the defendants in this cause.

15. This designation of contents of record on appeal.

16. All calendar entries in this cause.

17. Stipulation between plaintiff and appellee and The Detroit Bank, appellant and one of the defendants, in the above entitled cause, that the portions of the record, proceedings and evidence herein designated constitute a designation for inclusion in the record on appeal of the appeal of The Detroit Bank, appellant and one of the defendants of the complete record in so far as said appeal is concerned and of all proceedings and evidence in this cause pertinent to said appeal.

MILLER, CANFIELD, PADDOCK AND STONE,

By EMMETT E. EAGAN,

Attorneys for The Detroit Bank, Appellant and one of the Defendants,
3456 Penobscot Building,
Detroit, Michigan.

DATED: March 4, 1941.

STIPULATION

(Filed March 4, 1941)

IT IS HEREBY STIPULATED AND AGREED by and between the United States of America, Appellee in the above entitled cause, and The Detroit Bank (formerly known as The Detroit Savings Bank), a Michigan banking corporation, appellant and one of the defendants in the above entitled cause, by and through their respective attorneys, that the "Designation of Contents of Record on Appeal" filed by said The Detroit Bank constitutes a designation for inclusion in the record on appeal of the appeal taken by The Detroit Bank in the above entitled cause of the complete record on appeal in so far as the said appeal of The Detroit Bank is concerned and all of the proceedings and evidence in this cause pertinent to said appeal and that the following:

1. Any and all other papers, records and documents contained in the Court file covering the above entitled cause, which are not mentioned in said "Designation of Contents of Record on Appeal",

2. Proceedings and evidence taken on April 17, 1939 and not stenographically reported,

among other things are not pertinent to said appeal of The Detroit Bank and need not be included in the record on appeal of said appeal of The Detroit Bank.

JOHN C. LEHR,
United States Attorney,
By (S) KENNETH D. WILKINS,
Attorney for Plaintiff and Appellee.
(S) MILLER, CANFIELD, PADDOCK & STONE
MILLER, CANFIELD, PADDOCK & STONE,

By (S) EMMETT E. EAGAN,
Attorneys for The Detroit Bank,
Appellant and one of the Defendants
in the above entitled cause.
3456 Penobscot Building,
Detroit, Michigan.

DATED: March 4, 1941.

NOTICE OF APPEAL OF CITY OF DETROIT AND ALBERT E. COBO

(Filed March 7, 1941)

Notice is hereby given that the City of Detroit, a municipal corporation, and Albert E. Cobo, Treasurer of the City of Detroit, two of the defendants in the above entitled cause, hereby appeal to the United States Circuit Court of Appeals for the Sixth Circuit from a final judgment (styled a "Decree") and the whole thereof entered in this action on December 9, 1940.

Dated:
March 6, 1941

PAUL E. KRAUSE,
Corporation Counsel.

JOHN H. WITHERSPOON,
Chief Assistant Corporation Counsel, Attorney for appellants and two of the defendants, City of Detroit, a municipal corporation, and Albert E. Cobo, Treasurer of the City of Detroit.
301 City Hall,
Detroit, Michigan.

BOND ON APPEAL OF CITY OF DETROIT AND ALBERT E. COBO

(Filed March 7, 1941)

THE CITY OF DETROIT and ALBERT E. COBO, TREASURER OF THE CITY OF DETROIT, as Principal, and ROYAL INDEMNITY COMPANY, a corporation organized and existing under the laws of the State of New York, of the city of New York, New York, as Surety; hereby undertake to pay the UNITED STATES OF AMERICA all costs, not to exceed TWO HUNDRED AND FIFTY ($250.00) DOLLARS, which may be taxed against the CITY OF DETROIT AND ALBERT E. COBO, TREASURER OF THE CITY OF DETROIT, in the above entitled cause.

THE CITY OF DETROIT,
By JOHN H. WITHERSPOON,
Acting Corporation Counsel,

ROYAL INDEMNITY COMPANY,
By LEON G. MALLETT,
Attorney-in-Fact.

DESIGNATION OF CITY OF DETROIT AND ALBERT E. COBO OF CONTENTS OF RECORD ON APPEAL

(Filed May 20, 1941)

In addition to the designation of the contents of record on appeal as filed by the Detroit Bank, a Michigan banking corporation, appellant and one of the defendants in the above entitled cause, the defendants City of Detroit, a municipal corporation and Albert E. Cobo, Treasurer of the City of Detroit, hereby designate the following portions of the record, proceedings and evidence to be contained in the record on appeal in the above entitled action:

1. Appearance of the City of Detorit, a municipal corporation, and Albert E. Cobo, Treasurer of the City of Detroit, appellants and two of the defendants.
2. Answer of defendants, City of Detroit, a municipal corporation, and Albert E. Cobo, Treasurer of the City of Detroit.
3. Notice of appeal of defendants, City of Detroit, a municipal corporation, and Albert E. Cobo, Treasurer of the City of Detroit, together with date of filing.
4. Bond on appeal filed by the City of Detroit, a municipal corporation, and Albert E. Cobo, Treasurer of the City of Detroit.
5. This designation of contents of record on appeal.

PAUL E. KRAUSE,
Corporation Counsel, and

JOHN H. WITHERSPOON,
Chief Assistant Corporation Counsel
Attorneys for City of Detroit, a municipal corporation, and Albert E. Cobo, Treasurer of the City of Detroit, two of the appellants and defendants.
Address: 301 City Hall,
Detroit, Michigan.

NOTICE OF APPEAL OF JOHN W. PAUL ET. AL.

(Filed March 6, 1941)

Notice is hereby given that John W. Paul, Frederick P. Paul and Ruby H. Paul, his wife, Nettie B. Paul and Riney F. Paul, defendants above named, hereby appeal to the Circuit Court of Appeals for the Sixth Circuit, from the Decree entered in this cause on December 9th, 1940.

CHARLES A. LORENZO,
Attorney for Defendants,
John W. Paul, Frederick P. Paul and Ruby H. Paul, his wife, Nettie B. Paul and Riney F. Paul.

BOND ON APPEAL OF JOHN W. PAUL, FREDERICK P. PAUL and RUBY H. PAUL, his wife, NETTIE B. PAUL and RINEY F. PAUL

(Filed March 6, 1941)

KNOW ALL MEN BY THESE PRESENTS, That we, John W. Paul, Frederick P. Paul and Ruby H. Paul, his wife, Nettie B. Paul and Riney F. Paul, as Principals, and Edward Shelton, as Surety, are held and firmly bound unto the United States of America in the principal sum of Two Hundred Fifty ($250.00) Dollars lawful money of the United States, for the payment of which we do bind ourselves and our heirs, executors, administrators, representatives and assigns, firmly by these presents.

SEALED with our seals and dated at the City of Detroit, County of Wayne and State of Michigan, this 5th day of March, A. D. 1941.

WHEREAS, The above bounden John W. Paul, Frederick P. Paul and Ruby H. Paul, his wife, Nettie B. Paul and Riney F. Paul, have appealed to the Circuit Court of Appeals for the Sixth Circuit, from the Decree entered December 9th, 1940 by the Honorable Edward J. Moinet, District Judge of the United States District Court for the Eastern District of Michigan, Southern Division, in cause then and there pending, in Equity No. 7544, instituted by the United States of America, as plaintiff, against the above bounden principals, as defendants, and other defendants: NOW, THEREFORE, the condition of this obligation is such that if the above bounden John W. Paul, Frederick P. Paul and Ruby H. Paul, his wife, Nettie B. Paul and Riney F. Paul, shall pay the costs assessed against them, if the appeal is dismissed or the Decree affirmed, or such costs as the Circuit Court of Appeals may award, if the Decree is modified, then this obligation shall be void, otherwise to remain in force.

JOHN W. PAUL L.S.
FREDERICK P. PAUL L.S.
RUBY H. PAUL, L.S.
His Wife.
NETTIE B. PAUL L.S.
RINEY F. PAUL, L.S.
Principals. L.S.
EDWARD SHELTON, L.S.
Surety.

STATE OF MICHIGAN }
COUNTY OF WAYNE } SS:

EDWARD SHELTON, being duly sworn, deposes and says that he is a widower and a resident of the City of Detroit, said County and State; that he is of the financial worth of upwards of Five Hundred ($500.00) Dollars, in real and personal property situate in the City of Detroit, said County and State, over and above all of his debts; that he is the owner in fee simple of real estate situate in the City of Detroit, said County and State, known and described as: The East twenty-five (25) feet of Lot 6, Subdivision of Lots 2, 3 and 4 of the Subdivision of the rear of the Forsyth Farm of the Connors Estate, according to the plat thereof recorded in Liber 1 of Plats, page 219, in the Office of the Register of Deeds for Wayne County, Michigan, otherwise known as 941 Selden Avenue, Detroit, Michigan, which property is improved and has a dwelling thereon yielding a rental of Sixty ($60.00) Dollars per month, and which property is free and clear of all liens and encumbrances, excepting the current city taxes of approximately Sixty ($60.00) Dollars, which he intends paying at an early date.

EDWARD SHELTON

Subscribed and sworn to before
me this 5th day of March, A. D. 1941.

NADINE BROWN,
Notary Public, Wayne County, Michigan.
My commission expires: June 14, 1943.

I hereby accept and approve the foregoing Appeal Bond and the surety thereon.

EDWARD J. MOINET,
District Judge.

Dated: March 6th, 1941.

DESIGNATION OF JOHN W. PAUL ET. AL. OF CONTENTS OF RECORD ON APPEAL

(Filed May 12, 1941)

Now come the above named defendants, John W. Paul, Frederick P. Paul, and Ruby H. Paul, his wife, Nettie B. Paul and Riney F. Paul, by their attorney, Charles A. Lorenzo, and designate the following portions of the record, proceedings and evidence desired by them to be contained in the Record on Appeal:

(1) Original Bill of Complaint;
(2) Their Answers to the Bill of Complaint;
(3) Testimony given by defendants at the hearing;
(4) Stipulation of Facts;
(5) Findings of Fact and Conclusions of Law;
(6) Decree;
(7) Notice of these defendants of filing Notice of Appeal.

CHARLES A. LORENZO,
Attorney for Defendants, John W. Paul, Frederick P. Paul and Ruby H. Paul, his wife, Nettie B. Paul and Riney F. Paul.

NOTICE OF APPEAL OF COUNTY OF WAYNE AND JACOB P. SUMERACKI

(Filed March 8, 1941)

Notice is hereby given that the County of Wayne, a corporate body politic, and Jacob P. Sumeracki, Treasurer for the County of Wayne, two of the defendants in the above entitled cause, hereby appeal to the United States Circuit Court of Appeals for the Sixth Circuit from a final judgment (styled a "Decree") and the whole thereof entered in this action on December 9, 1940.

Dated:

March 8, 1941

WILLIAM E. DOWLING,
Prosecuting Attorney,

SAMUEL BREZNER,
Assistant Prosecuting Attorney,
Attorneys for Appellants and two of the defendants, County of Wayne, a corporate body politic, and Jacob P. Sumeracki, Treasurer for County of Wayne,
508 Wayne County Building,
Detroit, Michigan.

BOND ON APPEAL OF JACOB P. SUMERACKI AND THE COUNTY OF WAYNE

(Filed March 8, 1941)

KNOW ALL MEN BY THESE PRESENTS, that we, Jacob P. Sumeracki and the County of Wayne, a corporate body politic, as principals, and Saint Paul-Mercury Indemnity Company of St. Paul, a corporation duly existing by law and having its principal place of business at the City of Detroit in the State of Michigan, as surety, are held and firmly bound and obligated unto the United States of America in the sum of Two Hundred Fifty ($250.00) Dollars to be paid to the United States of America, and to which payment well and truly to be made, the said principals and surety do bind themselves firmly by these presents.

The condition of this obligation is such that whereas the said principals on March 8, 1941 filed a claim of appeal from the decree heretofore entered in the above cause on December 9, 1940.

Now, therefore, if the said principals shall pay all costs awarded or decreed against either or both of them by the court in the said appeal, then this obligation shall be void otherwise to remain in full force and effect.

IN WITNESS WHEREOF, we have hereunto set our hands and seals at the City of Detroit this 8th day of March, 1941.

JACOB P. SUMERACKI, L.S.
County of Wayne,

By EDWARD H. WILLIAMS,
Chairman, Board of Wayne County Auditors,

Bond on Appeal of County of Wayne and Jacob P. Sumeracki

SAINT PAUL-MERCURY INDEMNITY CO. OF ST. PAUL,
By CHARLES E. DREIFUS,
Attorney in Fact.

DESIGNATION OF CONTENTS OF RECORD ON APPEAL OF COUNTY OF WAYNE and JACOB P. SUMERACKI, Treasurer of the County of Wayne

(Filed May 23, 1941)

In addition to the designation of the contents of record on appeal as filed by the Detroit Bank, a Michigan banking corporation, appellant and one of the defendants in the above entitled cause, the defendants County of Wayne, a corporate body politic, and Jacob P. Sumeracki, Treasurer of the County of Wayne, hereby designate the following portions of the record, proceedings and evidence to be contained in the record on appeal in the above entitled action:

1. Appearance of the County of Wayne, a corporate body politic, and Jacob P. Sumeracki, Treasurer of the County of Wayne, appellants and two of the defendants.
2. Answer of defendants, County of Wayne, a corporate body politic, and Jacob P. Sumeracki, Treasurer of the County of Wayne.
3. Notice of appeal of defendants, County of Wayne, a corporate body politic, and Jacob P. Sumeracki, Treasurer of the County of Wayne, together with date of filing.
4. Bond on appeal filed by the County of Wayne, a corporate body politic, and Jacob P. Sumeracki, Treasurer of the County of Wayne.
5. This designation of contents of record on appeal.

WILLIAM E. DOWLING,
Prosecuting Attorney.

SAMUEL BREZNER,
Assistant Prosecuting Attorney.
Attorneys for County of Wayne and Jacob P. Sumeracki.
508 County Building
Detroit, Michigan

NOTICE OF APPEAL OF STATE OF MICHIGAN AND JOHN J. O'HARA

(Filed March 8, 1941)

Notice is hereby given that the State of Michigan and John J. O'Hara, Auditor General for the State of Michigan, two of the defendants above named, hereby appeal to the United States Circuit Court of Appeals for the Sixth Circuit, from a final judgment, (styled "decree"), and the whole thereof, heretofore entered in this action on December 9, 1940.

STATE OF MICHIGAN AND JOHN J. O'HARA,
Auditor General for the State of Michigan, Appellants and Defendants,

By: HERBERT J. RUSHTON,
Attorney General for the State of Michigan.

By: PETER E. BRADT,
Assistant Attorney General,
Attorneys for the above named Appellants and Defendants,
Lansing, Michigan.

DATED: March 7, 1941.

BOND ON APPEAL OF THE STATE OF MICHIGAN AND JOHN J. O'HARA, Auditor General

(Filed March 10, 1941)

THE STATE OF MICHIGAN and JOHN J. O'HARA, AUDITOR GENERAL OF THE STATE OF MICHIGAN, as Principal, and NATIONAL SURETY CORPORATION, a New York Corporation, as Surety, hereby undertake to pay to the UNITED STATES OF AMERICA all costs, not to exceed TWO HUNDRED AND FIFTY ($250.00) DOLLARS which may be taxed against the STATE OF MICHIGAN and JOHN J. O'HARA, AUDITOR GENERAL OF THE STATE OF MICHIGAN, in the above entitled cause.

DATED this 10th day of March, 1941.

THE STATE OF MICHIGAN AND
JOHN J. O'HARA,
Auditor General,

By HERBERT J. RUSHTON,
Attorney General,

By AUSTIN C. FRASER,
Assistant Attorney General,

NATIONAL SURETY CORPORATION,
FRANK WETZEL,
Attorney-in-fact.

March 10, 1941

DESIGNATION OF CONTENTS OF RECORD ON APPEAL OF STATE OF MICHIGAN

(Filed May 21, 1941)

Now comes the State of Michigan, one of the appellants in the above entitled cause, and makes the following additional designation of contents of record on appeal:

(1) Appearance of the State of Michigan;

(2) Answer of the State of Michigan;

(3) Claim of appeal of the State of Michigan;

(4) Stipulation which was entered on the record at the hearing of November 4, 1938, when it was orally agreed that the pertinent provisions of the statutes of the State of Michigan and the charter of the City of Detroit would be considered in evidence;

(5) Bond on appeal;

(6) This designation.

HERBERT J. RUSHTON,
Attorney General

EDMUND E. SHEPARD,
Solicitor General

DANIEL J. O'HARA,
Assistant Attorney General

Stipulation Extending Time for Filing Record on Appeal and Docketing the Action

STIPULATION EXTENDING TIME FOR FILING RECORD ON APPEAL AND DOCKETING THE ACTION

(Filed April 9, 1941)

IT IS HEREBY STIPULATED AND AGREED by and between the attorneys for the plaintiff and appellee, United States of America, and the defendant and appellant, The Detroit Bank, that the time for filing the record on appeal in the above entitled cause with the Circuit Court of Appeals for the Sixth Circuit, and docketing the action, may be extended until May 12, 1941.

MILLER, CANFIELD PADDOCK AND STONE,

By EDWARD S. REID, JR.,
Attorneys for one of defendants and appellant, The Detroit Bank
3456 Penobscot Building,
Detroit, Michigan.

JOHN C. LEHR,

PETER P. GILBERT,

JOHN C. LEHR,
United States District Attorney,
Attorney for plaintiff and appellee.
United States of America,
Federal Building,
Detroit, Michigan.

Dated: April 9, 1941.

Order Extending Time for Filing Record on Appeal and Docketing the Action

ORDER EXTENDING TIME FOR FILING RECORD ON APPEAL AND DOCKETING THE ACTION

(Filed April 9, 1941)

At a session of said Court held in the Federal Building, in the City of Detroit, Wayne County, Michigan, on the 9th day of April, A. D. 1941.

PRESENT: Honorable Edward J. Moinet, District Judge.

On reading and filing the Stipulation of counsel for one of the defendants and appellant, The Detroit Bank, and plaintiff and appellee, United States of America, in the above entitled cause, and upon motion of Miller, Canfield, Paddock and Stone, attorneys for defendant and appellant, The Detroit Bank,

IT IS ORDERED that the time for filing the record on appeal in the above entitled cause with the Circuit Court of Appeals for the Sixth Circuit, and docketing the action, may be and the same is hereby extended until the 12th day of May, 1941.

EDWARD J. MOINET,
District Judge

Stipulation Extending the Time for Filing Record on Appeal and Docketing the Action with Respect to The Detroit Bank

STIPULATION EXTENDING THE TIME FOR FILING RECORD ON APPEAL AND DOCKETING THE ACTION WITH RESPECT TO THE DETROIT BANK

(Filed May 6, 1941)

IT IS HEREBY STIPULATED AND AGREED by and between the United States of America, plaintiff and appellee, and The Detroit Bank, one of the defendants and appellant, by and through their respective attorneys, that the time for filing the record on appeal of the appeal of The Detroit Bank in the above entitled cause with the United States Circuit Court of Appeals for the Sixth Circuit, and the docketing of the action, so far as The Detroit Bank is concerned, may be extended to and including May 31, 1941.

MILLER, CANFIELD, PADDOCK & STONE,
By EDWARD S. REID, JR.
Attorneys for one of the defendants and appellant, The Detroit Bank,
3456 Penobscot Building,
Detroit, Michigan.

JOHN C. LEHR,
United States District Attorney
Attorney for plaintiff and appellee United States of America,
Federal Building,
Detroit, Michigan.

Dated: May 6, 1941.

ORDER EXTENDING THE TIME FOR FILING RECORD ON APPEAL AND DOCKETING THE ACTION WITH RESPECT TO THE DETROIT BANK

(Filed May 6, 1941)

At a session of said Court held in the Federal Building in the City of Detroit, Wayne County, Michigan, on the 6th day of May, A. D. 1941.

PRESENT: The Honorable Edward J. Moinet, District Judge.

On reading and filing the Stipulation of counsel for The Detroit Bank, one of the defendants and appellant, and the United States of America, plaintiff and appelle, in the above entitled cause, and upon motion of Miller, Canfield, Paddock and Stone, attorneys for said defendant and appellant, The Detroit Bank—

IT IS ORDERED that the time for filing the record on appeal of the appeal of The Detroit Bank in the above entitled cause with the United States Circuit Court of Appeals for the Sixth Circuit, and the docketing of the action, so far as the said The Detroit Bank is concerned, may be and the same hereby is extended to and including the 31st day of May, A. D. 1941.

EDWARD J. MOINET,
District Judge.

STIPULATION WAIVING COMPARISON OF RECORD

(Filed May 27, 1941)

It is hereby stipulated and agreed by and between the attorneys for the respective parties hereto, that the Record on Appeal in the above entitled case as printed be certified and transmitted by the Clerk of the United States District Court for the Eastern District of Michigan, Southern Division to the United States Circuit Court of Appeals for the Sixth Circuit, without Comparison.

JOHN C. LEHR,
United States Attorney,
PETER P. GILBERT,
Assistant United States Attorney.
CARL J. MAROLD,
Special Assistant to the Attorney General of the United States,
Attorneys for Appellee,
By PETER P. GILBERT,
Assistant United States Attorney.

CHARLES A. LORENZO,
Attorney for Appellants,
John W. Paul, Frederick P. Paul, Ruby H. Paul, Nettie B. Paul and Riney F. Paul.

MILLER, CANFIELD, PADDOCK & STONE,
Attorneys for Appellant,
The Detroit Bank,
By EMMETT E. EAGAN.

HERBERT J. RUSHTON,
Attorney General,
EDMUND E. SHEPHERD,
Solicitor General,

DANIEL J. O'HARA,
Assistant Attorney General,
Attorneys for Appellants, State of Michigan and John J. O'Hara, Auditor General for the State of Michigan.
By ARCHIE C. FRASER,
Assistant Attorney General.

WILLIAM E. DOWLING,
Prosecuting Attorney.
SAMUEL BREZNER,
Assistant Prosecuting Attorney,
Attorneys for Appellants, County of Wayne and Jacob P. Sumeracki, Treasurer of the County of Wayne,
By SAMUEL BREZNER,
Assistant Prosecuting Attorney.

PAUL E. KRAUSE,
Corporation Counsel,
JOHN H. WITHERSPOON,
Chief Assistant Corporation Counsel,
Attorneys for Appellants, City of Detroit and Albert E. Cobo, Treasurer of City of Detroit,
By JOHN H. WITHERSPOON,
Chief Assistant Corporation Counsel.

Dated: May 27, 1941.

CERTIFICATE OF CLERK

EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION } ss:

I, George M. Read, Clerk of the United States District Court for said District, do hereby certify that the within and foregoing numbered pages contain a full and complete copy of all papers filed and all proceedings in said cause in accordance with the designation of attorneys for appellants as to contents of record on appeals and in accordance with the stipulation entered into between attorneys for respective parties in said cause, waiving comparison by the Clerk of the record on appeal.

IN TESTIMONY WHEREOF, I have hereunto signed my name and affixed the seal of said Court at Detroit, this .... day of May A. D. 1941.

GEORGE M. READ,
Clerk, United States District Court, Eastern District of Michigan

By .....
Deputy-Clerk.

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PROCEEDINGS IN THE

UNITED STATES CIRCUIT COURT OF APPEALS

FOR THE SIXTH CIRCUIT

CAUSES ARGUED AND SUBMITTED

(March 11, 1942—Before: ALLEN, MARTIN and McALLISTER, Circuit Judges)

These causes are argued by Edward Reid and John H. Witherspoon for Appellants and by Morton K. Rothschild for Appellee and are submitted to the court.

JUDGMENT—No. 8987

(Entered April 8, 1942)

Appeal from the District Court of the United States for the Eastern District of Michigan.

This cause came on to be heard on the transcript of the record from the District Court of the United States for the Eastern District of Michigan, and was argued by counsel.

ON CONSIDERATION WHEREOF, It is now here ordered and adjudged by this Court that the judgment of the said District Court in this cause be and the same is hereby affirmed.

JUDGMENT—No. 8988

(Entered April 8, 1942)

Appeal from the District Court of the United States for the Eastern District of Michigan.

This cause came on to be heard on the transcript of the record from the District Court of the United States for the Eastern District of Michigan, and was argued by counsel.

ON CONSIDERATION WHEREOF, it is now here ordered and adjudged by this Court that the judgment of the said District Court in this cause be and the same is hereby affirmed.

JUDGMENT—No. 8989

(Entered April 8, 1942)

Appeal from the District Court of the United States for the Eastern District of Michigan.

This cause came on to be heard on the transcript of the record from the District Court of the United States for the Eastern District of Michigan, and was argued by counsel.

ON CONSIDERATION WHEREOF, it is now here ordered and adjudged by this Court that the judgment of the said District Court in this cause be and the same is hereby affirmed.

JUDGMENT—No. 8990

(Entered April 8, 1942)

Appeal from the District Court of the United States for the Eastern District of Michigan.

This cause came on to be heard on the transcript of the record from the District Court of the United States for the Eastern District of Michigan, and was argued by counsel.

ON CONSIDERATION WHEREOF, it is now here ordered and adjudged by this Court that the judgment of the said District Court in this cause be and the same is hereby affirmed.

JUDGMENT—No. 8991

(Entered April 8, 1942)

Appeal from the District Court of the United States for the Eastern District of Michigan.

This cause came on to be heard on the transcript of the record from the District Court of the United States for the Eastern District of Michigan, and was argued by counsel.

ON CONSIDERATION WHEREOF, it is now here ordered and adjudged by this Court that the judgment of the said District Court in this cause be and the same is hereby affirmed.

OPINION

(Filed April 8, 1942)

Nos. 8987, 8988, 8989, 8990, and 8991

UNITED STATES CIRCUIT COURT OF APPEALS

SIXTH CIRCUIT

JOHN W. PAUL ET AL., THE DETROIT BANK, formerly The Detroit Savings Bank, STATE OF MICHIGAN ET AL., COUNTY OF WAYNE ET AL., and CITY OF DETROIT ET AL.,
Appellants,

v.

UNITED STATES OF AMERICA,
Appellee.

APPEAL from the District Court of the United States for the Eastern District of Michigan, Southern Division.

Decided April 8, 1942

Before ALLEN, MARTIN and McALLISTER, Circuit Judges.

McALLISTER, Circuit Judge. For estate tax on the estate of John P. Paul, deceased, the Government claims a lien superior to the liens and claims of appellants, who seek review of the order of dismissal of their complaint, entered by the District Court. Appellants include the State of Michigan, County of Wayne, and City of Detroit, claiming liens based upon unpaid taxes, accruing subsequent to the death of Mr. Paul; The Detroit Bank, formerly The Detroit Savings Bank, with a claim on certain mortgages executed by decedent; and on other mortgages executed after his death, by his successors, and thereafter foreclosed; and the children of decedent. The latter, however, have filed no brief and it is unnecessary to review their contentions in the District Court. The substance of the claim asserted against the Government is

that its lien depends upon demand, which was not made; and, moreover, as against the mortgagee, that the lien is not valid because of failure to file notice by the Collector of Internal Revenue, as prescribed by statute.

Appellants contend that the Government is not entitled to priority of lien, relying upon Sec. 3186 of the Revised Statutes as amended by Sec. 613 of the Revenue Act of 1928, c. 852, 45 Stat. 791 (a), which provides as follows:

> "If any person liable to pay any tax neglects or refuses to pay the same after demand, the amount . . . shall be a lien in favor of the United States upon all property and rights to property, whether real or personal, belonging to such person. Unless another date is specifically fixed by law, the lien shall arise at the time the assessment list was received by the collector and shall continue until the liability for such amount is satisfied or becomes unenforceable by reason of lapse of time.
>
> "(b) Such lien shall not be valid as against any mortgagee, purchaser, or judgment creditor until notice thereof has been filed by the collector—
>
> "(1) in accordance with the law of the State or Territory in which the property subject to the lien is situated, whenever the State or Territory has by law provided for the filing of such notice; or
>
> "(2) in the office of the clerk of the United States District Court for the judicial district in which the property subject to the lien is situated, whenever the State or Territory has not by law provided for the filing of such notice; or
>
> "(3) in the office of the clerk of the Supreme Court of the District of Columbia, if the property subject to the lien is situated in the District of Columbia.
>
> "(c) Subject to such regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe, the collector of internal revenue charged with an assessment in respect of any tax—

"(1) May issue a certificate of release of the lien . . . ."

* * * * *

"(d) A certificate of release or of partial discharge issued under this section shall be held conclusive that the lien upon the property covered by the certificate is extinguished.

"(e) The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may by regulation provide for the acceptance of a single bond complying both with the requirements of Section 272 (j) of the Revenue Act of 1928 (relating to the extension of time for the payment of a deficiency), or of any similar provisions of any prior law, and the requirements of subsection (c) of this section.

"(f) Subsections (c), (d), and (e) of this section shall apply to a lien in respect of any internal-revenue tax, whether or not the lien is imposed by this section. (U. S. C., Title 26, Secs. 1560-1567.)"

The Government contends that the issues in this case are governed by Sec. 315 (a) of the Revenue Act of 1926, c. 27, 44 Stat. 9, relating to the estate tax, which provides:

"Unless the tax is sooner paid in full, it shall be a lien for ten years upon the gross estate of the decedent, except that such part of the gross estate as is used for the payment of charges against the estate and expenses of its administration, allowed by any court having jurisdiction thereof, shall be divested of such lien. . . ."

It is argued that Sec. 3186, relied upon by appellants, provides for a lien in favor of the Government where a person liable to pay any tax, neglects or refuses to pay the same *after demand.* Under Sec. 315 of the Revenue Act of 1926, above referred to, it is provided, however, that the estate ... *shall be a lien* for ten years, unless the tax is sooner paid in full.

We are of the opinion that the Government is not limited in its claim of lien to Sec. 3186. That section is general in its terms, referring to "any tax," while the provisions of Section 315, enacted subsequently thereto, specifically relate to the estate tax, and set forth in unqualified language that it shall be a lien for a prescribed period unless it is sooner paid; and there is no mention therein of any requirement of demand or filing or notice. See *United States* v. *Security-First Nat. Bank,* 30 Fed. Supp. 113 (D. C. N. Dak.)

The lien for the estate tax arises upon the death of the owner of the estate taxed. As to the right of the Government to priority over the liens of appellants, the reasoning in *United States* v. *City of Greenville,* 118 Fed. (2d) 963 (C. C. A. 4), is determinative of the right to such priority. That case was a suit to foreclose a lien for unpaid income taxes upon real estate on which there were also liens for real estate taxes due the city, county and state. By state law, these were made paramount to all other charges. But it was held that since such liens were acquired subsequent to the acquisition of the lien of the United States, the latter was entitled to priority in payment. Such is our conclusion in the instant case.

Nor is the argument impressive that Sec. 315 (a) of the Revenue Act of 1926 is in violation of the Fifth Amendment of the Constitution of the United States, as contended by appellants, who base their claim on the fact that the statute with reference to the estate tax, gives the Government a secret lien and operates to deprive citizens of property which they have acquired in good faith and for value. Sec. 313 of the Revenue Act of 1926 provides for determination of the amount of estate tax upon written application of the executor to the Commissioner, and requires that determination of the amount of the tax, in order to secure discharge from personal liability therefor, shall be made within one year from such application, or if the application is made before the return is filed, then within one year after such filing. Such provisions do not operate as a release of any part of the gross estate from the lien

for any deficiency that may thereafter be determined to be due, except where title to such part of the gross estate has passed to a bona fide purchaser for value, in which case, such part shall not be subject to a lien or to any claim or demand for any such deficiency, but the lien shall attach to the consideration received from such purchaser by the heirs, legatees, devisees, or distributees.

Provisions of the Michigan statute governing liens for property taxes are not here applicable; and if they were, being in derogation of federal law, would not control. *United States* v. *Snyder,* 149 U. S. 210; *United States* v. *City of Greenville,* supra. With regard to the estate on which the estate tax is collectible, it includes property in which decedent had an interest as tenant by the entirety. See *Goodenough* v. *Commissioner,* 83 Fed. (2d) 389 (C. C. A. 6); *Robinson* v. *Commissioner,* 63 Fed. (2d) 652 (C. C. A. 6).

The judgment of the District Court is affirmed.

UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SIXTH CIRCUIT

I, J. W. Menzies, Clerk of the United States Circuit Court of Appeals for the Sixth Circuit, do hereby certify that the foregoing is a true and correct copy of record and proceedings in the cases of *John W. Paul, et al,* v. *United States of America,* Nos. 8987-8991, as the same remains upon the files and records of said United States Circuit Court of Appeals for the Sixth Circuit, and of the whole thereof.

In Testimony Whereof, I have hereunto subscribed my name and affixed the seal of said Court at the City of Cincinnati, Ohio, this 25th day of May, A. D. 1942.

J. W. Menzies,
Clerk of the United States Circuit Court of Appeals for the Sixth Circuit.

(seal)

SUPREME COURT OF THE UNITED STATES, OCTOBER TERM, 1942

No. 156

ORDER ALLOWING CERTIORARI—Filed October 12, 1942

The petition herein for a writ of certiorari to the United States Circuit Court of Appeals for the Sixth Circuit is granted.

And it is further ordered that the duly certified copy of the transcript of the proceedings below which accompanied the petition shall be treated as though filed in response to such writ.

SUPREME COURT OF THE UNITED STATES, OCTOBER TERM, 1942

No. 214

ORDER ALLOWING CERTIORARI—Filed October 12, 1942

The petition herein for a writ of certiorari to the United States Circuit Court of Appeals for the Sixth Circuit is granted.

And it is further ordered that the duly certified copy of the transcript of the proceedings below which accompanied the petition shall be treated as though filed in response to such writ.